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Reagan's Task: Reconciling Missile Defense, Soviet Talks

By Leslie H. Gelb
New York Times Service

WASHINGTON — The Reagan administration finds itself caught between two promises: its pledge to Atlantic allies and the Soviet Union to negotiate seriously on space-based weapons, and President Ronald Reagan's strong personal commitment to develop space-based defenses against nuclear attack.

The result, officials acknowledge, has been confusion about how the so-called "Star Wars" defense will be handled in arms control talks, as a bargaining chip or something to be protected at all costs; and about how it will be presented to Congress, as a way of defending missiles or of defending people.

Although Mr. Reagan has expressed his vision of space-based protection against nuclear attacks and of convincing Moscow that this is the way out of the arms race, he seems to have made few concrete decisions.

It is a situation ready-made for

subordinates to fill in the blanks, to push for certain explanations and positions, and to see which way the wind is blowing. That is what has happened in recent days.

What is to happen on the space plan, or the Strategic Defense Initiative, as the administration calls it, when Secretary of State George P. Shultz meets with the Soviet foreign minister, Andrei A. Gromyko, in Geneva on Jan. 7 and 8?

The question had to be answered in some fashion after the visit to London last week of Mikhail S. Gorbachev, one of the top Soviet leaders. During that visit, he appeared to have been quite successful in rallying West European leaders against an arms race in space.

Into the breach stepped Defense Secretary Casper W. Weinberger. In a speech assailing the idea that mutual deterrence should continue to depend on the threat of mutual annihilation instead of defense

against nuclear attack, he said two apparently contradictory things.

First, he said that it was "vital that we continue to pursue the research program on which we're now embarked to see if we can't hold out a far better future for mankind."

Then, asked whether the program could be used as a bargaining chip in the negotiations, he said: "I don't exclude anything. The president has specifically not excluded anything."

The next day, Robert C. McFarlane, the national security adviser, spoke as "a senior administration official" and seemed to add weight to the possibility that a space-based missile defense might be negotiable. He particularly signaled the possibility of U.S. concessions on a space defense in return for Soviet concessions on offensive nuclear arms.

It seemed that he could say no less, given publicly expressed concern by allies and others that failure to negotiate on the space-based missile defense could prevent progress on all aspects of arms control.

Also, according to administration officials, the United States had told the Soviet Union that everything would be on the negotiating table, including defensive systems.

NEWS ANALYSIS

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U.S. Space Effort Seems Dominated by Military

By Wayne Biddle
New York Times Service

WASHINGTON — Next month's U.S. space shuttle mission, the first devoted entirely to Pentagon activities, culminates a decade-long shift in the nation's space program toward dominance by the military.

The history of the American space program is replete with tension between those who would preserve space as a frontier for scientific exploration and those who would seize it as a soldier's ultimate high ground. But the shuttle project has gradually left the National Aeronautics and Space Administration a junior partner to the Defense Department in budgetary,

ing overall control except in areas directly related to weapons and national defense.

From an engineering perspective, as opposed to a bureaucratic one, the space program continued through the mid-1960s to be a hybrid of military and civilian hardware. Army and air force missiles were adapted for early satellite launching and manned spaceflight.

With the maturing of the Apollo lunar landing project in the late 1960s, however, and the sudden acceleration of the air force's Manned Orbital Laboratory in 1969 after the expenditure of \$1.3 billion, NASA's role appeared to diverge from the military's.

"In particular, the decision to accomplish Apollo by means of lunar-orbit rendezvous was a watershed in separating civilian and military manned space flight programs," concluded a 1982 study of space policy by the Congressional Office of Technology Assessment. The study noted that if earth-orbit rendezvous had been chosen instead, knowledge gained from assembly of structures in low earth orbit would have been valuable for "national security activities."

But low earth orbit was precisely the realm envisioned for the space shuttle. By the mid-1970s, with Apollo winding down, NASA wooed the air force into the shuttle project by promising to build a launching vehicle whose design would be dictated by military missions of the future.

Despite President Richard M. Nixon's decision authorizing NASA to develop the shuttle for launching both military and civilian cargo, as well as President Jimmy Carter's 1977 directive giving NASA overall responsibility for shuttle operations regardless of user, stresses grew over military versus civilian control.

Policy reviews conducted by the National Security Council in 1978 and 1979 resulted in three secret directives on the issue. According to a 1983 review of NASA-Pentagon relations by the congressional General Accounting Office, "they reiterated the need for separate and distinct civilian and military programs, but did not establish specific

Reagan Asks End To Afghan War

The Associated Press

WASHINGTON — President Ronald Reagan said Wednesday that the five-year Soviet occupation of Afghanistan "constitutes a serious impediment to the improvement of our bilateral relations."

His statement was issued two weeks before U.S.-Soviet arms talks are scheduled to begin. It also came a day before the fifth anniversary of the Soviet intervention in Afghanistan. "We cannot and will not remain silent on Afghanistan," Mr. Reagan said. "We join our voice with other members of the world community in calling for a prompt, negotiated end to this brutal conflict."

The statement came two weeks before Secretary of State George P. Shultz and the Soviet foreign minister, Andrei A. Gromyko, are scheduled to meet in Geneva to discuss limiting nuclear weapons.



Cambodian families rest after fleeing into Thailand from Vietnamese bombardment of their camp at Rithsen.

Voice of America Signs Agreements With 5 Nations

By Bernard Gwertzman
New York Times Service

WASHINGTON — The Voice of America has signed agreements with five nations for improving broadcast equipment within their borders as part of a \$1.5-billion modernization program, according to administration officials.

The Voice of America, the broadcasting arm of the U.S. Information Agency, is also pressing Israel for permission to set up installations there to broadcast to the Central Asian republics of the Soviet Union and to Soviet troops in Afghanistan, the officials said Tuesday.

In the last year, administration officials said, the Voice of America has negotiated agreements either for new sites or to improve existing ones in Morocco, Sri Lanka, Thailand, Costa Rica and Belize.

According to the officials, the

project in Israel is deemed so important that President Ronald Reagan sent a personal message to Prime Minister Shimon Peres recently endorsing the request.

The Voice of America would probably share a transmitter in Israel with Radio Liberty, a station paid for by the United States that broadcasts to the Soviet Union.

In recent years, the United States has given priority to sending strong broadcasts in the local languages to the Soviet Central Asian republics of Uzbekistan and Kazakhstan and to the Caucasian republics of Armenia, Georgia and Azerbaijan, all areas in which there have been reports of hostility toward the central government in Moscow. Broadcasts to these areas would also be picked up by Soviet troops in Afghanistan, officials said.

As part of the \$1.5-billion plan, the Voice of America is to increase

the number of languages it broadcasts to 60 from 42, officials said.

The Soviet Union tries to jam Voice of America broadcasts in all languages except English, the officials said, as do all the East European Soviet allies except Hungary.

The modernization plan, which is expected to take five to six years, was authorized by Congress in the fiscal year that ended Sept. 30, 1983, administration officials said.

Because it is often a sensitive issue for foreign governments to acknowledge that they allow the Voice of America to have equipment on their territory, the negotiations are often secret and the agreements classified, with only appropriate committees of Congress being notified.

Israeli officials in recent days have been quoted by the Israeli media as saying Israel had agreed in principle to the American re-

quest. American officials said they were awaiting a formal response.

Currently the Voice of America has transmitters in Delano and Dixon, California; Maratibo, Florida; Bethesda, Md.; and Greenville, South Carolina. A large transmitter is planned for Puerto Rico. Additionally, the Florida location will be used by Radio Martí, the new AM station that is to broadcast to Cuba.

The broadcasts from the United States are then sent by satellite to relay stations abroad, which broadcast them on short-wave or AM bands.

Negotiations have been under way since last summer to renew the rights to use transmitters in Greece. The Voice of America also shares a short-wave installation with the British Broadcasting Corp. in Britain, and has one in West Germany, near Munich.

Vietnam Holds Camps

Thousands Flee Cambodia; Rebel Attacks Repulsed

By William Branigan
Washington Post Service

BANGKOK — Vietnamese troops, waging an offensive against Cambodian resistance forces along the Thai-Cambodian border, repulsed a series of attempted counterattacks Wednesday by anti-Communist guerrillas trying to recapture a major base overrun by the Vietnamese on Tuesday, according to Thai military officials and Western diplomatic sources.

Tuesday's attack on the Nong Samet camp, the largest settlement of the Khmer People's National Liberation Front guerrilla group, sent more than 60,000 Cambodian civilians fleeing across the border into Thailand.

The Vietnamese assault was seen here as part of a military and political offensive aimed at breaking up and discrediting Cambodia's three-party resistance coalition.

The stepped-up Vietnamese campaign coincided with a trip to Vietnam, Cambodia and Laos by two U.S. congressmen. They said they came away "disappointed" about the prospects for a Cambodian settlement and about a proposed deal to send Vietnamese re-education camp inmates to the United States.

In a Bangkok press conference on Wednesday night, Representative Stephen J. Solarz, Democrat of New York, who is the chairman of the House Foreign Affairs subcommittee on Asian and Pacific affairs, and Representative Robert G. Torricelli, Democrat of New Jersey, a member of that committee, also expressed disappointment at apparently having been snubbed by senior Thai government officials for visiting Phnom Penh. A Vietnam-

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6 Killed, About 50 Hurt In Tehran Bomb Blasts

Compiled by Our Staff From Dispatches

TEHRAN — Six persons were killed and about 50 were injured Tuesday in a bomb explosion in Tehran, and one person was injured in another bombing less than 12 hours later, the IRNA news agency said Wednesday.

The first bomb, hidden in a taxi outside a small hotel in a busy area of Tehran, also caused extensive damage to cars and buildings.

Early Wednesday, one person was reported injured by flying glass when a bomb went off in an alley. IRNA said that much of the explosion was absorbed by a bus parked nearby, but that more than 40 buildings in the area were damaged.

Police said the first bomb contained 20 to 25 pounds (about 10 kilograms) of explosives and the second about 10 pounds.

A caller to news agencies here claimed responsibility for Tuesday's explosion on behalf of the Mujahidin Khalq leftist opposition group.

At its Paris headquarters, however, the Mujahidin Khalq denied responsibility and said it strongly condemned attacks that killed or injured innocent people.

In Paris, news agencies received messages from a person claiming Tuesday night's blast on behalf of an exiled Iranian group known as Arya. That group claimed a car-bomb explosion in August outside Tehran's railroad station, in which 18 persons were killed.

IRNA said there had been no reports of arrests in connection with either explosion.

It said the first bomb was planted "by terrorist agents of the United States." The agency said: "The United States had warned earlier that it would take revenge against the Islamic Republic for its support of international terrorism" following the hijacking of a Kuwaiti airliner to Tehran two weeks ago.

It was referring to the U.S. assertion that Iran had not acted quickly enough to end the hijacking of a Kuwait Airways plane on which two Americans were killed.

(Reuters, AP)

French Conservatives Seek to Reduce Government's Control of Economy

By Axel Krause
International Herald Tribune

PARIS — Opposition conservative leaders in France are divided over political strategies to regain power but united in their determination to drastically reduce the direct role of the state in the French economy.

The strategy, which assumes a conservative victory in 1986 parliamentary elections, is designed to decrease state power in France and generate expansion through a new wave of private initiatives, including

General Charles de Gaulle, as head of the provisional government after World War II, directed one of several subsequent waves of nationalizations. This included the automaker Renault in 1945, on the ground that its founder, Louis Renault, had collaborated with the Nazis during the war.

The Socialists nationalized leading companies and banks after taking power in 1981, promising it would spur economic growth and avert foreign takeovers. Today the government owns, directly or indirectly, about 80 percent of France's credit and banking system and 40 percent of all industry. In addition, about two-thirds of industrial and consumer prices are subject to government control.

The reform plans now being prepared draw their inspiration from the conservative administrations in the United States and Britain. They include plans to decentralize industrial and consumer prices and denationalize leading industrial companies and banks, notably those that are earning profits.

The reformers would also cut corporate taxes, eliminate government deficits and subsidies wherever possible, while actively encouraging investments, particularly in those companies restored to private ownership.

Severe limits on wage increases imposed by the Socialists would be eased under a conservative government, but, in return, labor unions would be expected to accept more flexible working rules for the hiring and firing of workers, especially in small and medium-sized companies.

Many of the proposals, including those on denationalization, are taking the form of legislative bills now being drafted by conservative deputies in the National Assembly. These, according to the deputies, are scheduled to be discussed in the coming weeks.

(Continued on Page 2, Col. 2)

Conservatives in France The Right's Bright Hopes

Second of two articles

investments, according to political, business and banking leaders and senior civil servants interviewed recently.

By seeking to rein in government control, the conservatives have targeted what is widely regarded as one of the Western world's most centralized and entrenched political and administrative systems. A senior U.S. diplomat in Paris said he recently discovered that France has more governmental restrictions on financial transactions than virtually any other non-Communist country.

Although the Socialists are being blamed now, the role of the state in the French economy is hardly new. The establishment of the first state-owned enterprises, mainly in the armaments, porcelain and tapestry sectors, date from the 17th century.

INSIDE



Shimon Peres, the Israeli prime minister, is using a milder tone to win public approval. Page 5.

Italian police reportedly are seeking another suspect in Sunday's train bombing. Page 2.

Japan's prime minister, Yasuhiro Nakasone, is not expected to offer new trade concessions when he meets President Ronald Reagan on Jan. 2. Page 7.

TOMORROW

Belgium's search for an underground group waging a "war against NATO" on its territory has become a major challenge.

Young U.S. Heirs Turn Fortunes to Social Change

By Elsa Walsh
Washington Post Service

WASHINGTON — A growing number of sons and daughters of corporate America are digging into their family fortunes to finance so-called alternative foundations that promote social change instead of the traditional charities.

The heirs of the Levi-Strauss, Knight-Ridder, Alcoa, Du Pont and Sears, Roebuck fortunes were schooled in the anti-war and civil rights protests of the 1960s. They are channeling their money into socially and politically conscious organizations concerned with such issues as anti-nuclear action, women's equality, lesbian rights, prison reform and racial discrimination.

In the process, their efforts are changing the operations of the nation's 22,000 private foundations and drawing increased interest from those who control these vast resources.

"Our parents give to the symphony and we give to the Symphony Tenants' Organizing Project," said George Pillsbury. The 35-year-old banking heir was referring to a neighborhood group in Boston that was the recipient of a grant from the Haymarket People's Fund.

Haymarket gives away about \$400,000 a year in small grants. It was set up 10 years ago by a core group of seven, including Mr. Pillsbury, Mark Dayton, a department store heir, and David Crocker, the great grandson of the founder of the investment firm of Paine, Webber, Jackson and Curtis Inc.

Once dismissed by more traditional foundations as a flaky "door child," Mr. Pillsbury now is known as one of the grand old men of alternative philanthropy. He gave away most of the \$400,000 he inherited in a lump sum on

his 21st birthday and has parted with about \$1 million in the last 12 years. He said he has trust funds left "in the million range."

"I want to spend my money to change the system that created this fortune," said Mr. Pillsbury.

Mr. Pillsbury currently is head of promotion for the Funding Exchange in New York, one of the most effective of the alternative foundations. Begun in 1971 with one small group of founders and less than \$25,000, the Funding Exchange now oversees one national and 15 local foundations.

Last year, the foundations doled out \$4.2 million to projects that were generally too small or controversial for traditional foundations.

"I don't feel guilty about my money," said Cary Ridder, 33, the publishing heir who is a Washington resident and a founder of Common Capital Support Fund. "But I do think I should do something for the world with it."

For Miss Ridder, her position on the fund's board of directors is a middle ground between her days at Stanford University during the peak of anti-Vietnam War demonstrations, when her militant housemates practiced target shooting, and a childhood in McLean, Virginia, with nannies, maids, omelets, cooks and gardeners.

"This is not a way to be rebellious, but a way to work back to the center," she said.

When the alternative foundations "first began to emerge in the '70s some people considered them to be the radical fringe of philanthropy," said James Joseph, president of the Council on Foundations. "But now they are just recognized and accepted as part of the pluralism of philanthropy."

Many in the world of giving say the influence of these new foundations is larger than the \$3 billion they distribute annually, a relatively small amount in the larger world of traditional foundations. The new organizations finance groups that would have great difficulty getting money anywhere else.

They have brought wealthy young people into a process that more often starts at the end of a person's life with a will. And, say some, they have guided the philanthropic mainstream into more progressive grant-making.

Bob Friedman, echoing a common sentiment of his peers, said he "went through a period of feeling very guilty" during college. A founder of the Common Capital Support Fund and an heir to the Levi-Strauss jeans fortune, Mr. Friedman was educated at Harvard and raised in affluent Hillsborough, California, near San Francisco. He now lives in Takoma Park, Maryland, and heads the Corporation for Enterprise Development, a think-tank studying unemployment.

In making a decision to give away about half his income every year, Mr. Friedman said he felt he could not "have the convictions about social justice that I felt" and keep all his money, knowing "that in no sense did I deserve the luck of having money."

Meetings and workshops of the new foundations often evolve into discussions of the responsibilities of wealth and the foundations frequently publish guidelines on investment decisions. One of the bibles of the alternative foundation movement is "Robin Hood Was Right — A Guide to Giving Your Money for Social Change," published by Vanguard.

Plan to Ease Sri Lankan Tension Is Abandoned

COLOMBO, Sri Lanka — The government decided Wednesday to drop proposals by President Junius R. Jayawardene aimed at easing tensions between Sinhalese and Tamils, a cabinet spokesman said.

The plan, which Mr. Jayawardene had said represented the views of the majority of delegations at a conference of political parties and linguistic and religious groups, also was opposed by the main opposition Sinhalese party and the Buddhist clergy.

Under the proposals, Tamils would have been given more power over their affairs in areas where they predominate. Guerrillas are fighting for a separate state for Tamils, who account for 2.5 million of the island's 15 million people.

The all-party conference had been discussing the issue for the past 12 months. But the Tamils said the proposals did not embody autonomy, while the opposition Sinhalese party and the Buddhist clergy said the plan would lead to a division of the island.

Tamil separatist guerrillas have increased their attacks in the past five weeks and threaten to declare a separate Tamil state on Jan. 14, according to the government.

Meanwhile, Mr. de Alwis said that Tamil guerrillas had demanded ransom in gold worth \$200,000 for the release of two police inspectors kidnapped in the northern town of Jaffna on Friday.

He said the ransom note delivered to the authorities in Jaffna on Tuesday night was signed by a new rebel organization called, simply, Movement. The note set 9 P.M.



Junius R. Jayawardene

Wednesday as the deadline for payment. Guerrillas also shot a police inspector to death in the Jaffna district on Tuesday, police said.

Mr. de Alwis said the kidnappers asked for the Roman Catholic bishop of Jaffna, B. Deegipillai, to make a radio appeal for the police to release the captives if the government was prepared to pay the ransom.

Mr. de Alwis declined to say if the ransom would be paid. The government has rejected ransom demands in the past.

Italians Said to Seek 2d Bombing Suspect

The Associated Press
BOLOGNA — Italian officials said Wednesday that they have identified 14 of the people killed in Sunday's bombing of an express train. Anti-terrorist police, meanwhile, were reported to have drawn up a composite picture of a second person wanted for questioning in the crime.

Bologna police and the Italian news agency ANSA said the death toll stood at 15. But state-run RAI radio reported that there were 16 dead.

An official at the Bologna morgue said all the dead identified so far were Italians and that only one body, that of a woman, remained to be identified. Italian news agencies said it may be that of a 25-year-old woman from Bologna of whom there had been no news since she boarded the train.

Police said they had received phone calls from relatives of at least three other people — an Italian and an unnamed Swiss couple — who were believed to have been on the train and were missing. Some bodies may have been disintegrated in the blast, police said.

All the known dead were believed to be Italians. There were at least 11 foreigners treated for injuries but they were later released. Meanwhile, police were reported

to have searched more than 300 homes across Italy for clues to the bombing.

ANSA said the searches seemed to be concentrated in areas linked with rightist terrorist activity but had produced no "revealing traces" in connection with the explosion aboard the Naples-Milan express as it passed through a 12-mile (19-kilometer) rail tunnel.

Police were looking for a man in his 20s who was reportedly seen leaving the train in Florence 45 minutes before the blast ripped through a second-class car of the train.

The AGI news agency said the DIGOS, Italy's anti-terrorist police force, had drawn up a composite sketch of another but that no other details were available.

Italian news organizations said the authorities were focusing on rightist extremists following a flurry of claims that ranged from neo-fascist organizations, to the leftist Red Brigades and to an obscure "Islamic Guerrilla" group. Rightist groups came under suspicion because they have been implicated in other attacks on trains.

Of the 180 people wounded in the blast, 41 remained hospitalized on Wednesday.

A funeral for the victims of the blast was set for Thursday morning at St. Petronio Basilica in Bologna.

At the Vatican, Pope John Paul II issued his third condemnation of the bombing. He told 20,000 people gathered in St. Peter's Square that the killings "had darkened and embittered the peaceful and joyous climate of Christmas."

In another development, an Italian railroad police officer, who took part in rescue operations, has committed suicide, ANSA reported.

Police said that Filippo Alberghini, 29, had left a note saying "I am not able to continue living in this absurd world."

Turkey, Soviet Sign Trade Accords

ANKARA — The Soviet Union and Turkey signed agreements Wednesday aimed at significantly expanding trade.

The Soviet prime minister, Nikolai A. Tikhonov, and the Turkish prime minister, Turgut Ozal, signed a 10-year agreement on economic, commercial and scientific cooperation.

At the same meeting, the Soviet first deputy foreign trade minister, Nikolai D. Komarov, and the Turkish deputy secretary for foreign trade and treasury, Ekrem Pakde-

mirt, signed a trade agreement for 1986 to 1990. That accord is designed to increase exchanges to \$6 billion for the period. In 1985, Turkish-Soviet trade is expected to amount to \$570 million.

In another matter, diplomatic sources said, Mr. Ozal complained to Mr. Tikhonov about Moscow's declaration of a 200-mile economic zone in the Black Sea and the arrest Monday of a Turkish fishing vessel.

They said Mr. Tikhonov sent a message Tuesday to Moscow asking that the vessel be released.

WORLD BRIEFS

Nicaraguan Rebel Quitting, He Says

MANAGUA (UPI) — Alfonso Robelo Callejas, an anti-Sandinist rebel leader, says he will abandon the armed fight against the leftist Nicaraguan government to dedicate himself exclusively to politics.

Mr. Robelo, a former member of the Sandinist junta, said Tuesday that although he was leaving the Costa Rican-based Democratic Revolutionary Alliance "for 1985," he did not condemn others who chose to oppose the Nicaraguan government militarily. Mr. Robelo has directed the political arm of the rebel group but earlier this year split with the alliance's military leader, Eden Pastora Gomez.

He said the leaders of the alliance should take the most convenient road, whether "civil or bellicose," to depose the Sandinists. Mr. Robelo, 44, did not say if his new role would be in Nicaragua or another country.

Qadhafi Said to Back Britons' Release

LONDON (Combined Dispatches) — The Libyan leader, Colonel Muammar Qadhafi, has said he will recommend the release of four detained Britons, according to an envoy from the Church of England. On Wednesday, Sir Geoffrey Howe, the British foreign secretary, welcomed the report.

But later Wednesday, Libyan radio said that Colonel Qadhafi had accused the British authorities of conducting a "campaign of hatred and harassment" against Libyans, during his meeting with the church envoy, Terry Waite. The report, monitored by the British Broadcasting Corp. in London, did not mention the four Britons in Libya.

Mr. Waite said that Colonel Qadhafi had told him Tuesday in Tripoli that he would ask for the Britons' release at the People's Congress, the nominal parliament, when it meets early next month.

The four were arrested during a 10-day police siege last April of the Libyan Embassy in London, which was triggered by the slaying of a policewoman during a rally by dissident Libyans outside the embassy. The siege resulted in the severing of diplomatic relations between the two countries. (AP, UPI)

Manila Opposition Signs Unity Pact

MANILA (NYT) — Twelve Philippine opposition leaders signed a common platform Wednesday on which to oppose President Ferdinand E. Marcos or his successors.

Strongly nationalist in tone, the platform called for removal of foreign military bases from Philippine territory, review of the Marcos government's economic treaties and financial agreements with foreign governments, redress of poverty among the masses and a new democratic constitution.

The platform, entitled Basis of Unity, was signed by all top anti-Marcos leaders except Eva Estrada Kalaw and Salvador Laurel, both of the United Nationalist Democratic opposition. Corason Aquino, the widow of the slain opposition leader Benigno S. Aquino Jr., was among the signatories.

Police Bar Kahane From Arab Town

TAIBA, Israel (AP) — Police stopped Rabbi Meir Kahane from entering this Arab village on Wednesday, one day after the Israeli parliament, the Knesset, voted to limit the extremist anti-Arab legislator's freedom of movement.

The American-born rabbi had planned to visit Taiba, a village of 14,000 people at the foot of the Samaritan hills, as part of his campaign to expel all Arabs from Israel.

Police stopped the rabbi, who is the founder of the U.S.-based Jewish Defense League, at Kfar Sava, 10 miles (16 kilometers) from Taiba.

For the Record

A crewman from a Cypriot freighter, the Blue Spirit, was missing and feared dead Wednesday after the ship caught fire in the North Sea, a West German shipping radio station said. It said 16 crewmen were rescued by a Danish ship.

Anatoli Karpov, the world chess champion, and Gary Kasparov, his challenger, drew the 35th game of their world title match Wednesday in Moscow after 17 moves.

A series of earth tremors registering 3.3 to 3.5 on the Richter scale has been recorded in the Vosges region of France near the West German border during the past week, officials at the Strasbourg Institute of Physics said Wednesday. The tremors caused no damage.

Devotees of an Indian mystic, Maharishi Mahesh Yogi, who say that meditation can solve world problems have been banned from preaching to Filipino soldiers pending the outcome of a government inquiry into the group's activities, the Philippine News Agency reported Wednesday. (AP)

Japan and the United States signed on Wednesday a joint war plan for the repulsion of any attack on Japan by outside forces, the Japanese Defense Agency announced. (AP)

Correction

Because of an editing error, a story in Wednesday's International Herald Tribune incorrectly identified Valéry Giscard d'Estaing's party affiliation. Mr. Giscard d'Estaing is a member of the Republican Party.

Vietnam Holds Rebel Camps

(Continued from Page 1)
The installed government holds power in the Cambodian capital. Mr. Solaz said the refusal of Vietnamese leaders and their Cambodian protégés to indicate the kind of political solution they might accept suggested that they were more interested in dividing the resistance than in seeking "a realistic settlement of the conflict."

The visit evidently did nothing to mitigate an escalation of Hanoi's latest dry-season offensive against the Cambodian resistance. Vietnamese troops backed by tanks and armored personnel carriers overran most of the Nong Samet on Tuesday and set fire to its bamboo and thatch huts.

It was not immediately possible to confirm reports from refugees that at least 100 Cambodians had been killed by heavy shelling in the Vietnamese assault. Western relief officials said only that more than 50 wounded Cambodians were evacuated for treatment at hospitals on the Thai side of the border.

As guerrillas loyal to Son Sann, a leader of the resistance coalition, battled in vain to recapture the camp on Wednesday, more than 25,000 Cambodian civilians at his group's Ampil base about 18 miles (about 30 kilometers) to the north braced for a Vietnamese assault amid sporadic shelling. Thai military sources reported.

About 100,000 of the estimated 250,000 Cambodian refugees living in resistance camps along the border have been forced to flee to Thai territory.

The Thai Foreign Ministry described part of Vietnam's offensive on the Rithien camp situated on the central Thai-Cambodian border as "cruel, savage and brutal."

So far, the offensive seems mainly directed at the two non-Communist groups in the resistance coalition, Son Sann's Khmer Front and a smaller faction loyal to Prince Norodom Sihanouk, the country's former ruler. The third party, the Communist Khmer Rouge, is by far the biggest military threat to the Vietnamese.

U.S. Effort in Space Appears To Be Dominated by Military

(Continued from Page 1)
ic goals and objectives for the civilian program.

Under these circumstances, the GAO study noted, the Pentagon's stake in shuttle operations increased. In March 1980, NASA and the Defense Department reached an agreement that gave the military priority in getting on board the shuttle. In May 1982, the Pentagon established a comprehensive security policy requiring that all military shuttle flights be secret.

By the early 1980s, moreover, the Pentagon had overtaken NASA's space budget. According to GAO analyses, the Defense Department's 1983 budget for space projects amounted to \$8.5 billion in unclassified funding, of which \$581 million was related to the shuttle.

NASA's entire budget request for the fiscal year 1983, by comparison, was \$6.6 billion, of which \$3.4 billion went to the shuttle. About one-third of this NASA shuttle budget "could be extrapolated to be in direct support of Defense

Department requirements," the investigative agency's researchers reported.

"Defense Department's shuttle requirements are such that program separation will be difficult in the years ahead," the study added, concluding that "while NASA's involvement in military space operations is growing, the direction of its future civilian activities is currently unresolved."

Although NASA has garnered presidential support for developing a manned space station, the agency's overall budget continues to be dwarfed by the Pentagon's space-related efforts. Mr. Reagan has proposed spending about \$25 billion on anti-missile research alone by the end of the decade, in contrast to the \$21 billion devoted to shuttle work from 1971 to 1983.

All of these bureaucratic and budgetary factors have combined to take some of the luster off NASA's once brilliant reputation on the cutting edge of space science and engineering.

French Conservatives Seek to Trim State Control of Economy

(Continued from Page 1)
would be voted immediately by what the authors predict will be a conservative-dominated assembly confronting President François Mitterrand, a Socialist, after the parliamentary elections scheduled for March 1986.

Several law firms in Paris are already preparing strategies for state-controlled companies and banks that would be returned to private ownership.

Among the companies being mentioned for denationalization are Saint-Gobain and Compagnie Générale d'Electricité, both diversified and profitable industrial groups. Rhône-Poulenc, France's largest producer of chemicals and textiles, which is now earning money after several years of deficits; Renault and Thomson SA, the country's leading manufacturer of electronics and electric equipment, both of which are still in the red.

The banks being mentioned range from the Suez and the Paribas groups, both leading investment banks nationalized by the Socialists in 1981-1982, to the much larger commercial institutions, Crédit Lyonnais and Société Générale, which were nationalized between 1944 and 1948.

Some conservative deputies have suggested selling off only profitable subsidiaries of state-owned companies, while keeping the parents under some form of government control. They noted that some Socialists in the assembly have already indicated privately that they would support such a move.

Although full-scale deregulation is clouded by political uncertainties, there are growing signs that non-Communist trade unions in France, already weakened by lack of rank-and-file support, would accept some denationalization and decontrolling prices, but only on the condition that wages also be allowed to rise.

The chairman of one of France's leading nationalized industrial companies, who declined to be identified, said: "Denationalization is coming and, frankly, I would welcome it, as would 90 percent of the country."

He added, "The fact is, we are slowly dying, particularly our spirit to innovate and create growth."

Influential businessmen and bankers inside and outside France said that they were preparing to finance the movement.

"The move toward liberalizing the economy is overdue and we, among others, are prepared to help those moving in that direction," said Michel-Edouard Leclerc, who

heads France's largest supermarket chain. During the past several years, Mr. Leclerc and his family have fought unsuccessfully to decontrol retail prices on a nationwide scale, drawing widespread support in the business community.

The three key conservative leaders — Raymond Barre, a former prime minister, Jacques Chirac, the mayor of Paris, and former President Valéry Giscard d'Estaing — disagree over the level of tax cuts and over what sectors to begin denationalizing. They appear determined, however, to hammer away on what they agree is their central election message, the need to ease government control of the economy.

The proposed rollback of the state would include a reduction in the government's involvement in running television and radio networks and the nation's medical insurance system. It would grant wide autonomy to the Bank of France, and lead to crackdowns on illegal immigration and terrorism.

The recurring theme of the opposition is that the Socialists, having strengthened the role of the state, cannot succeed in reviving the economy and business confidence.

According to Mr. Barre, the austerity policies of the Socialist gov-

ernment cannot resolve worsening unemployment. He recently said at a rally of his supporters that because of continued reliance on state power and heavy budgetary deficits, the government's policy was "treating the economy's resilience, ruining public finances, and plunging France massively into debt."

During a similar speech, Mr. Chirac has repeatedly said the time has come to offer France a new choice — between his style of "dynamism," which his advisers say draws heavily on Reagan-style supply-side economics, and "asphyxiation" of the economy caused by the left.

Largely because they favor heavy cuts in taxes and government spending, both Mr. Barre and Mr. Chirac are highly popular with French business leaders and bankers.

However, Mr. Barre outperformed his rivals in a survey of business leaders published by Le Figaro recently, drawing the support of 83 percent of those surveyed, compared to 61 percent for Mr. Chirac and 34 percent for Mr. Giscard d'Estaing.

Jacques Delors, a former finance minister, who in January will become president of the European Community Commission, was supported by 44 percent, while 38 percent of the businessmen backed Michel Rocard, the expansion-minded minister of agriculture.

During a recent Socialist Party rally, Prime Minister Laurent Fabius said that the allegations by conservative leaders, were "irresponsible" and "ideologically motivated." He proposed a face-to-face debate with Mr. Barre and Mr. Chirac, which would compare their records as prime ministers with those of his government.

The two men, who served as prime minister under Mr. Giscard d'Estaing between 1976 and 1981, turned down the proposed debate, calling it showmanship so far in advance of the election. Instead, Mr. Barre suggested that the prime minister should improve his policies.

The government's arguments have not been helped by the lackluster performance of the economy, nor by detailed allegations by Mr. Barre that the Socialists have deliberately "manipulated" budget deficit figures to show that they are relatively low.

Some of Mr. Barre's closest advisers and senior civil servants in the Finance Ministry, a presence that apparently does not bother the Socialists.

"We did the same thing when we were out of power," a member of President François Mitterrand's cabinet said.

Through restrictive policies, the government has reduced the chronic inflation rate to about 7 percent in 1984 from 9.3 percent last year.

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Yugoslav Poll Finds Reagan Most Popular

AGENCE FRANCE-PRESS
BELGRADE — President Ronald Reagan is Yugoslavia's most popular foreign personality, according to a year-end opinion poll.

He was superceded in the hearts of the Yugoslavs only by their own prime minister, Milka Planinc, whose popularity rating rose from 32 percent last year to 47 percent this year.

Mr. Reagan came six percentage points behind with 41 percent, followed in order by the Prime Minister Indira Gandhi, the assassinated Indian leader, and Prime Minister Margaret Thatcher of Britain.

Ayatollah Ruhollah Khomeini of Iran was sixth in the popularity poll.

Edmond Alphandery, another deputy and an economist who supports Mr. Giscard d'Estaing, also is working on draft legislation for denationalizing companies and banks, but he favors a go-slow approach.

The government, meanwhile, has started to react. Finance Minister Pierre Bérégovoy recently eased controls over banking and prices, and wants to accelerate deregulation as the elections draw closer.

President Mitterrand conceded in an interview with L'Expansion, a French business magazine, that the 1981-1982 nationalization of the banks had failed to change their basic attitudes, which suggested that he might accept some form of denationalization of banks. Mr. Mitterrand added that decontrolling industrial prices was desirable and might even occur next year, assuming inflation continues to fall.

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For Peru, Problems Make Democracy a Mixed Blessing

By Alan Riding
New York Times Service

LIMA — Less than five years after Peru's armed forces left power, the hopes raised by the country's return to democracy seem to have been lost in a rising tide of economic and political troubles.

Attacked by leftist terrorists and undermined by recession, Peru's new democracy is struggling to survive in an atmosphere of pessimism that runs deeper than simple discontent with the lame-duck government of President Fernando Belaunde Terry.

Mr. Belaunde, 71, was removed by the military in 1980, re-elected when democracy was restored in 1980 and is due to leave office in July after national elections.

"Other Latin American countries seem to be moving back to democracy in a mood of optimism," a Peruvian writer said, speaking of the end of Argentina's military dictatorship last year and the switch to civilian rule expected in Uruguay and Brazil next year. "But our outlook is very bleak."

The streets of Lima mirror a society in disarray. About 300,000 people compete for space and clinics on sidewalks and pavements, garbage is uncollected on open lots, and stones and burning embers testify to the almost-daily clashes between the police and striking workers who gather to protest near the presidential palace.

Inevitably, some Peruvians already are predicting a new military takeover to restore order, but a foreign diplomat said, "The military has no answers of its own."

"You get the feeling that the country is being swept along by forces outside its control," one respected academic said. "The country is changing in ways that we don't understand."

Over the last year in particular, a dizzying array of problems have besieged Peru's self-confidence: a deep economic slump, a confrontation with foreign banks, growing leftist terrorism, a wave of human rights violations, increased narcotics trafficking and new fears of military intervention.

These difficulties also have raised fundamental questions about the long-neglected Indian population's place in society, about an economic model that has undermined agriculture without creating sufficient industrial jobs and about the viability of democracy in a country with severe economic inequities and rising social tensions.

"A friend asked his daughter what she wanted to be when she grew up," one businessman recounted. "A foreigner," she replied.

"The country has gone the way people drive here," one young politician said. "They swing to the left and to the right without warning, they get stuck in traffic jams because they don't want to give way to anyone else, but they don't have any sense of direction."



Fernando Belaunde Terry

Even the ambivalent feelings of many Peruvians toward President Belaunde seem to illustrate this mood: He is widely viewed as ineffective and indecisive, yet he is still respected as a symbol of morality and decency.

In some conservative circles, the election campaign itself already is stirring new uncertainty. The front-running presidential candidate, Alan Garcia Perez, belongs to the Alianza Popular Revolucionaria Americana, a Social Democratic party that has never been in government. His main challenger is Alfonso Barrantes Lingin, a Marxist who is mayor of Lima and has been nominated by the United Left coalition.

Many foreign diplomats say they believe that the armed forces will not permit a leftist government headed by Mr. Barrantes to take office, but even a Social Democrat-

ic administration can expect to live under the shadow of a strong military presence.

Nowhere does this seem more apparent than in Peru's experience with the Shining Path guerrilla movement, which began its war in the mountains around the southern city of Ayacucho when civilian rule returned in 1980.

The Maoist-inspired extremists, who have tried to exploit the deep poverty of the Quechua-speaking Indian communities of the region, were denounced by all political parties, including orthodox leftists, yet they have gradually drawn the government into a vicious cycle of violence.

■ Peru Near Financial Collapse

Peru has been cut off from funding by the International Monetary Fund and banks have reduced trade credits to the country by more than 60 percent since June. The Washington Post reported from Lima. The Reagan administration has so far declined to step in with special aid.

Behind \$350 million in interest payments on its \$13 billion foreign debt, Peru now stands closer to financial collapse than any other major Latin American debtor. If the country does not pay its interest debts by early January or reach new agreements with banks and the IMF, its loans could be declared "in default" in March by U.S. bank regulators.

The next step would be the suspension of virtually all international credit to Peru, paralyzing its foreign commerce. Experts here said U.S. banks, which could be forced by regulators to increase their reserves to cover for possible losses, also might declare the country in default and attempt to attach its assets abroad.

A Bleak and Forlorn Time For Dean of Latin Democrats

Los Angeles Times Service

LIMA — The presidential palace seems deserted and forlorn in these last days of the term of President Fernando Belaunde Terry.

There are no papers on Mr. Belaunde's desk, no sense of urgency in the windowless, wood-paneled office. When the president wants a document to support a point he has made, he rummages for it in a closet. When the phone rings, it is a highway engineer whose excuses for delays on a road project are greeted by a gentle rebuke.

Mr. Belaunde, the dean of Latin America's democrats, is the target of criticism from all sides, but he seems confident in his own vision and in the judgment of history.

He sees himself as president of a country trying to develop its potential, custodian of a tenuous democracy and struggling by a recession that has made him politically impotent.

He prefers to talk in terms of abstractions: the conquest of mountains, the taming of the jungle and its savage rivers. In the state dining room, there are mockups of his projects to integrate the jungles and mountains with coastal Peru. He talks about these projects with enthusiasm.

"These have been extremely hard years," he said. "But I have demonstrated that democracy can work in South America. I have never deported an enemy, never sent anyone to jail without charge. It is very difficult, but democracy can work."



CHRISTMAS CHIEF — William J. Schroeder, 52, the artificial heart patient, was consoled during an emotional moment by his granddaughters, Abbie, 4, left, and Tracy, 5. About 20 of his relatives joined him for Christmas dinner at a Kentucky hospital.

Lesbian Mayor of West Hollywood Is an Admitted 'Utopianist at Heart'

The Associated Press

WEST HOLLYWOOD, California — When she walks down the streets of this newly incorporated city, where the Sunset Strip mingles with fern bars and loft restaurants, Valerie Terrigno dreams of planting trees, installing fountains, creating a safe, beautiful place for its 36,000 residents.

About one-third of those residents are homosexual. Ms. Terrigno, 31, the new mayor of West Hollywood, is believed to be the first lesbian mayor of a U.S. city.

"You don't have to say you're a lesbian or admitted lesbian," she said. "I am a lesbian. I won't deny it."

After receiving the most votes of the 40 City Council candidates in the election last month that established West Hollywood as a city, she was named mayor by the other four council members elected.

Soon after the victory, Ms. Terrigno stressed that West Hollywood would not be a "gay city," that every citizen group would be equally important. But she conceded recently that those who predicted a "gay Camelot" might be right.

She recalled the first meeting of the new City Council, three of whose members are homosexual. A tough law was adopted at the meeting, banning bias because of sexual preference.

"When people got up and cried when we adopted the ordinance, I realized that we had never had a place that was safe," she said. "We could still be fired from a job for being gay."

"Ideologically, cityhood was good for everyone. Emotionally, it was the most exciting thing that had ever happened for the gay community."

"I'm a utopianist at heart. I like having a place that's safe for everyone, where there's enough food and shelter for everyone."

The issue of shelter helped elect Ms. Terrigno. About 80 percent of West Hollywood's residents are renters. About a quarter of the population is elderly.

West Hollywood, a two-square-mile (about five-square-kilometer) area between Beverly Hills and the Hollywood section of the city of Los Angeles, is a mix of high-rise buildings, quaint old apartment buildings, classic California bungalows, trendy brick-and-mortar restaurants, sleek boutiques and funky storefronts.

The new city is home to the Sunset Strip, the Los Angeles area's most fashionable restaurants and hotels, a Warner Brothers movie lot and numerous record companies.

After taking office last month, the City Council rolled back taxes to August levels and froze them there. It also froze construction until zoning ordinances could be established, a move that angered developers.

Ms. Terrigno handles the complaints with equanimity, prepared by a background in counseling, public health administration and political activism.

She was born in the New York borough of Queens, the eldest of five children. She spent her childhood in the Bronx and in Neptune, New Jersey, majored in psychology at Hofstra University on Long Island, then moved to California to do graduate studies. After college, she worked at counseling and public health centers and became a biofeedback therapist.

Ms. Terrigno also became politically involved. After being an anti-war protester in college, she turned her energies to gay and lesbian causes.

She joined the Stonewall Democratic Club, a homosexual group, and eventually became its president. In that role, she was approached to help out with the West Hollywood cityhood drive.

"I thought it sounded too good to be true," said Ms. Terrigno, a resident of the community and a renter. After some research, though, she decided the campaign "was an excellent opportunity."

De Lorean Postpones Another Ad for Funds

By Judith Cummings
New York Times Service

LOS ANGELES — When John Z. De Lorean ran a newspaper advertisement last month in California to solicit money to help him pay his lawyer, he planned to run a similar ad in the East. But the second ad has yet to run and how much he raised from the first one is a secret between Mr. De Lorean and a few others.

Mr. De Lorean owes about \$1 million in legal fees, according to his lawyer, Howard L. Weitzman. He defended the former automobile manufacturer against federal charges that he conspired in a scheme to distribute \$24 million in cocaine. Mr. De Lorean was found not guilty by a jury in August. Mr. Weitzman also is representing Mr. De Lorean in connection with allegations concerning his former company's finances, and his legal costs include these matters as well.

"It's a Horror Story," read the headline on Mr. De Lorean's full-page ad in the American Civil and Economic Liberties Association, which is not associated with the American Civil Liberties Union, and Ulysses S. Crockett was listed as the group's membership coordinator.

Suzi Cozad, a public relations specialist hired by Mr. De Lorean to handle the ad, said: "The response has been very positive. We received hundreds of letters from across the nation."

Mr. De Lorean, who founded a sports car concern that ended in financial collapse in 1982, is a focus of an investigation in Detroit by a federal grand jury that is looking into the finances of the bankrupt De Lorean Motor Co., according to Mr. Weitzman.

He has an apartment in Manhattan, an estate in Clinton Township, New Jersey, and a ranch in San Diego County, California, all valued at about \$10 million.

Mr. De Lorean decided the California ranch, valued at \$2.5 million to \$3.5 million, to Mr. Weitzman to cover his legal fees. However, the creditors of Mr. De Lorean's bankrupt company have challenged Mr. Weitzman's right to the property in U.S. District Court in San Diego. That case is pending.

Plans to run Mr. De Lorean's fund-raising ad in East Coast newspapers have been shelved pending further discussion, Mrs. Cozad said.

The two-column text of the earlier ad asserted, "John De Lorean's life has been virtually destroyed by an outrageous pattern of police abuse, prosecutorial misconduct and nonstop government harassment." The ad said this had been in evidence at his trial on cocaine charges and also would emerge in Detroit.

"Today," the ad asserted, "all that De Lorean needs to put his life back together is God's continued blessing and an end to the unrelenting harassment and intimidation by the Department of Justice."

Mr. De Lorean, who calls himself a "born-again Christian," said he wants to devote the rest of his life "to his Christian ministry and to his children." Mr. De Lorean, who is separated from his wife, Cristina Ferrare, has two children.

Mr. Crockett, who said he also is the chairman of the De Lorean Defense Fund, is a former associate professor of law at Pace University's law school in White Plains, New York.

A tax specialist who obtained his law degree at Stanford University in 1971, Mr. Crockett said that the American Civil and Economic Liberties Association, based in Oakland, California, handled legal cases concerning "the economic liberation of African-Americans."

Eternal Gridlock Feared For Central Los Angeles

By Robert Lindsey
New York Times Service

LOS ANGELES — This city has long been regarded as the quintessential urban expression of the automobile, a seemingly endless conglomeration of housing tracts, shopping centers and freeways radiating from an undistinguished central business district that has only a few tall buildings.

A surge of construction finally is giving Los Angeles a center filled with skyscrapers. As the buildings rise, however, engineers offer a grim prediction: traffic snarls so severe that office workers may not be able to get to the center of town.

"The development decisions have gotten ahead of the transportation planning," said S. E. Rowe, assistant general manager of the city transportation department.

The principal central freeways already are hopelessly congested for two hours or so each weekday morning and afternoon. Traffic engineers are urging the city to build, as quickly as possible, a chain of parking garages at the edge of the central district. Workers would ride shuttle buses the last mile or so.

Billions of dollars' worth of office towers and hotels, a museum of contemporary art and other buildings are under construction, or sites are being prepared for construction. An engineering study made public this month by the transportation department coincided that the number of people employed in the 3.4-square-mile (8.8-square-kilometer) central business district will rise almost one-third by 1990, to 317,000.

"With an estimated equivalent of 87,000 more commuters," said Donald R. Howery, general manager of the department, "we would have to add 26 more traffic lanes and over 400 buses just to keep at the same level of congestion we have today."

Local leaders this year developed a tentative consensus that envisages construction of a \$3.3-billion subway line from the central city to the northern suburbs. But carrying out the plan, along with one for a trolley line, hinges on large amounts of federal aid. The Reagan administration advised Los Angeles this week that no such aid would be available in the foreseeable future.

U.S. Links Small Neo-Nazi Band to Robbery, Killing, Terrorism

By T.R. Reid
Washington Post Service

HAYDEN LAKE, Idaho — A small but heavily armed group of rightist extremists, its members recruited largely among ex-convicts, has launched a wave of crime and terrorism inspired by a fictional account of a neo-Nazi takeover of the United States.

A task force of officers from the FBI, the Secret Service and the federal Bureau of Alcohol, Tobacco and Firearms has caught eight of the extremists over the last month. At least nine suspected members are still being pursued.

FBI officials say the extremists, who share an anti-Semitic racist philosophy, have engaged in counterfeiting, armored-car holdups, bank robberies, a synagogue bombing and the murder of a liberal Jewish radio personality in Denver.

Officials said the group has also planned bombings of dams and public buildings.

Special Agent Norman D. Stephenson of the FBI told a federal magistrate in Seattle that the group's goal was "violent overthrow of the U.S. government by killing, robbery and counterfeiting." He cited a "declaration of war" against blacks, Jews and the federal government that was signed by about 12 of the neo-Nazis late last month.

Law enforcement officers say the group, variously known as the White American Bastion, The Order and Bruder Schweigen, or Silent Brotherhood, essentially is acting out in real life the plot of a Nazi fantasy.

The outbreak of violence closely follows the plot of a fictional pamphlet, "The Turner Diaries" by a white supremacist, William Pierce of Arlington, Virginia.

That book relates a successful revolution by heavily armed American neo-Nazis. In the book, the Nazis murder prominent Jews, bomb the FBI headquarters and attack Israel with nuclear weapons.

Just as in that novel, the real-life Silent Brotherhood has funded itself through counterfeiting and a series of robberies. Authorities said the group has accumulated more than \$4 million in \$100 and \$20 bills.

Some of the cash has been recovered in the recent arrests. But the FBI reportedly believes that large chunks of the money remain to be found.

This violent band of white supremacists came to attention throughout the United States this month. Police announced that the automatic pistol used in the June slaying of Alan Berg, a radio talk-show host in Denver, had been found in the rural Idaho home of a member of the brotherhood.

In fact, the movement started more than a decade ago at a heavily fortified "church" in Hayden Lake, Idaho, a remote resort community east of Spokane, Washington, and 80 miles (129 kilometers) south of the Canadian border.

This small Idaho town is the home base of the Church of Jesus Christ-Christian and its proselytizing arm called Aryan Nations.

The "church" and the Aryan Nations group are descendants of hate groups that flourished during the Depression.

The church has been run since 1970 by Richard G. Butler, a California aeronautical engineer who became a follower of Dr. Wesley Swift, one of the more active Depression-era white supremacists.

The church's name reflects Mr. Butler's angry rejection of the assertion that Jesus Christ was born a Jew. The name Aryan Nations reflects his belief that the "white nations" of the world, in North America and Western Europe, are the true Aryan descendants of the original tribes of Israel.

Mr. Butler, 65, has a surprisingly unassuming manner. His conversation is laced with "Gosh!" and "Heck!" But he has set about spreading his views that Jews and blacks are the children of Satan and have corrupted U.S. institutions and government.

"We must win the hearts of the people," Mr. Butler said in an interview last week. "It is a battle, or a war, for minds. It can only be done in the open."

Mr. Butler has spent the last decade distributing literature, taking part in public debates and recruiting converts.

He has an extensive catalogue of Aryan Nations literature and paraphernalia. Items for sale range from a new edition of Adolf Hitler's "Mein Kampf," with a "pro-Hitler translation" to plastic coffee mugs and key chains bearing the red-and-blue Aryan Nations seal.

Mr. Butler has fought a continuing battle with local and federal taxing authorities, who reportedly have denied his group a tax exemption as a religious organization.

At one point, Mr. Butler said, he had a mailing list of 6,000 people, but this was stolen by two dissident followers last summer.

When Canadian authorities refused to let Mr. Butler's hate literature into the country, he started a

computer bulletin board to spread the message electronically. He says several hundred people in the United States and Canada gain access to the system every day to read anti-Semitic, anti-black messages.

Mr. Butler holds regular Sunday church services that draw a few dozen people. His church also runs a small "Christian Academy" for a handful of local children.

Mr. Butler has also hosted at least two sessions of the National Aryan Congress, an annual gathering of Ku Klux Klan, American Nazi Party, Posse Comitatus and similar extremist group members from around the nation.

At these summertime sessions, participants in brown American Nazi uniforms, bright-blue Aryan Nations suits or white Ku Klux Klan robes gather around the Nazi and Confederate flags and exchange Nazi salutes, according to those who have attended.

Over the years, Mr. Butler directed much of his proselytizing at prison inmates, particularly in the West and South. He says that "a number" of ex-convicts whom he contacted while they were in prison moved here after their release and became members of the "Aryan Nations uniformed headquarters division."

This influx of prisoners led to an eventual split in the extremist movement, Mr. Butler said.

He said the dissidents believed the program "to reach the masses of our people through truth, logic, and reasonableness would never be allowed" because "the media are controlled by our enemies."

So a number of young neo-Nazis split away from Aryan Nations, Mr. Butler said, to pursue a more violent approach toward making the United States a "pure" white Christian country.

Some observers of the extreme right doubt Mr. Butler's story. They say he is still closely connected to the violent faction of his movement. But Mr. Butler has not been charged with complicity in any of the recent crimes.

In any case, a group of Aryan Nations members began a bloody trail of criminal conduct, which the FBI says is based on the novelistic account of a neo-Nazi uprising.

Consulates in Japan, China

The Associated Press

BEIJING — China announced Wednesday that it will establish consulates in the Japanese cities of Fukuoka and Nagasaki, and Japan will open consulates in some unspecified Chinese cities. Since the two nations normalized relations in 1972, the Japanese have established consulates in Shanghai and Guangzhou.

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	19.00	NOAH'S ANIMALS
	19.25	KING OF THE BEASTS
	19.50	SKYWAYS
	20.45	THE UNTOUCHABLES
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SOUTH AFRICA PROTEST CONTINUES — Charles Barron, with microphone, secretary-general of the African People's Christian Organization, his wife, Inez, left, and Anna Rubin, a member of the New Jewish Agenda, were arrested Tuesday by police during a demonstration at the South African consulate in New York City. The Reverend Herbert Daugherty, second from right, was not detained. The protests are in their fourth week.

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SCIENCE

IN BRIEF

Aluminum Linked to Bone Softening

LOS ANGELES (UPI) — Patients on kidney dialysis and long-term intravenous feeding frequently suffer a painful softening of the bones, apparently caused by aluminum in solutions used in treatment, researchers have found.

Dr. Gordon Klein, chief of pediatric clinical nutrition at the City of Hope in Duarte, a suburb of Los Angeles, said: "There have been numerous studies conducted on this type of bone disease by kidney specialists because of the frequency of such disease turning up in dialysis patients."

Dr. Klein said dialysis water may be contaminated with aluminum. "Some parts of the country have large amounts of aluminum contained naturally in the water," he said. "We found that the situation can be improved by deionizing the water," or removing electrically charged atoms.

Insulin Pumps Raise Infection Risk

CHICAGO (AP) — Diabetics who use insulin pumps to regulate their blood-sugar levels run the risk of contracting an infection, according to a study of 161 patients.

The battery-operated pump, worn externally, delivers precise doses of insulin by means of a needle inserted in the abdomen. Dr. Robert Mecklenburg, one of the authors of the report in the *Journal of the American Medical Association*, said physicians measured the frequency of complications in patients using pumps against those being treated with conventional injections.

The doctors found that 42 percent of the diabetics using insulin pumps experienced one or more acute complications, most frequently infection at the infusion site; 29 percent of those using a pump had at least one infection.

Exercise Recommended for Anorexics

BOSTON (AP) — Women with anorexia nervosa should exercise vigorously to prevent the weakening of the bones that is one of the side effects of the self-starvation disease, according to a recent study.

Doctors often recommend that anorexic women restrict activity, and they urge bed rest for those who are severely underweight, but the new study says that is probably not a good idea.

Researchers directed by Dr. Nancy A. Rigotti at Massachusetts General Hospital reported in the *New England Journal of Medicine* that anorexics are likely to have thin, brittle bones, a condition that usually occurs only after menopause. The bone density of anorexic women who were classified as highly active, however, did not differ from that of women in a normal group, the report said.

Botanists Warn Plants Disappearing

ST. LOUIS (UPI) — Botanists fear that species of plants are disappearing from Earth faster than scientists can study them and determine their potential value as sources of food, medicine or energy.

Hugh Synge, a botanist at the Royal Botanical Gardens in Kew, England, said 20,000 of the 250,000 known species of plants may disappear by 2050. Dr. Synge was one of 15 botanists from several countries meeting in St. Louis to devise a plan to encourage worldwide plant conservation.

Peter Raven, director of the Missouri Botanical Garden, said obscure plants in remote tropical forests offer potential sources of food, shelter, medicine, energy and other products. He noted that more than one-third of all medicines are derived from plants.

Silicon Valley Museum at San Jose

SAN JOSE, California (UPI) — San Jose has been chosen as the site of a \$95-million showcase for computer-age applied sciences, the Technology Center of Silicon Valley, which directors of the project hope will attract a million visitors a year.

With exhibits depicting the history, theory and application of the principles on which the industries of the area called Silicon Valley are based, the museum would be a learning center focusing on information processing, integrated circuitry, communications, computer-aided design, aerospace and military developments, agriculture, energy conversion and genetic engineering.

Astronomers Seek 'Nemesis' to Back Up Extinction Theory

By John Noble Wilford
New York Times Service

WITH bounding curiosity and a theory to establish, astronomers are searching the northern skies for a star they call Nemesis, a small, dim companion of the Sun. Nemesis may not exist, but the quest goes on and soon will expand to the southern skies.

Other astronomers, similarly inspired, have revived interest in Planet X, the putative body that has long been sought beyond Neptune and Pluto. They are examining new data for evidence of such a planet's existence.

Some of the best minds of science are thus at play these nights and days in a provocative and promising attempt to understand how the heavens may hold the answer to what happened to the dinosaurs and, more important, what caused the mass extinctions that, according to new fossil evidence, seem to afflict the Earth every 26 million years or so.

The informed imaginations of these scientists run to unseen heavenly forces, a star or planet yet to be discovered, that trigger a fall of comets through the solar system. Some of the comets collide with the Earth, and the collisions fill the atmosphere with dust, blotting out sunlight for months and causing global death.

For several months the possibility that has stirred the greatest interest and debate is the one involving the Sun's theorized companion star, Nemesis (or "death star," as scientists sometimes call it).

Some skeptical scientists have questioned whether Nemesis could maintain an orbit sufficiently stable to make a close approach to the solar system precisely every 26 million years. But proponents, while modifying the hypothesis somewhat in an effort to satisfy these objections, insist that the Nemesis hypothesis could still hold the key to the mass extinctions.

Richard A. Muller, a professor of astronomy and physics at the University of California at Berkeley, said: "It's been demonstrated beyond all doubt that the orbit of Nemesis is sufficiently stable to do what we said the star would do. I think the case in favor of Nemesis has become much stronger."

Dr. Muller, with Marc Davis of Berkeley and Piet Hut of the Institute for Advanced Study at Princeton, proposed the Nemesis hypothesis a year ago in response to a stunning new paleontological study of mass extinctions.

In the 1970s, Walter Alvarez, a Berkeley geologist, found a layer of clay in Italy that contained unusually large amounts of the rare element iridium, more usually found in extraterrestrial bodies like asteroids.

This led to the theory, advanced by him and his father, Luis Alvarez, a Nobel Prize-winning physicist, that an asteroid struck the Earth 65 million years ago, creating months of darkness that wiped out the dinosaurs and countless other species.

Last year, after an exhaustive study of the fossil record going back 250 million years, J. John Sepkoski and David M. Raup, paleontologists at the University of Chicago, reported a previously unrecognized pattern to mass extinctions. They appeared to occur without fail every 26 million years.

At first, Luis Alvarez decided the Sepkoski-Raup hypothesis was wrong. To check himself, he asked Dr. Muller to play devil's advocate. In so doing, Dr. Muller became persuaded that the Sepkoski-Raup hypothesis was right.

Dr. Muller and his associates then came up with a hypothetical situation that could account for such regular extinction patterns.

Many stars, they knew, come in pairs, a smaller star orbiting the dominant one or two relatively equal bodies orbiting a common center of gravity. In astronomy these are called binary systems. What if the Sun had such a companion? Such an object, if far away and very small, only 5 to 10 percent as massive as the Sun, could easily have escaped notice.

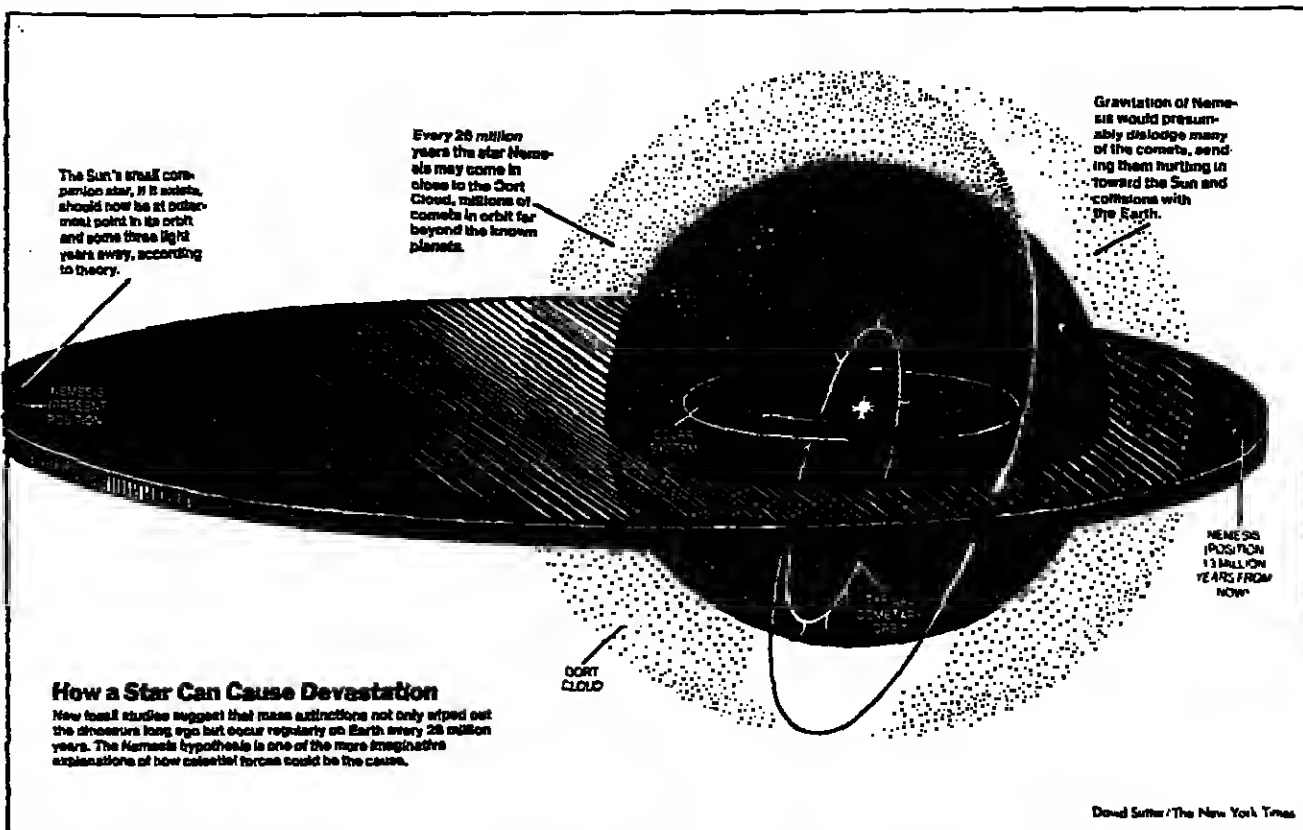
THE companion star, they reasoned, could follow an eccentric orbit, about one and a half times as long as it is wide, that would take it far out, as much as three light years from the Sun, and bring it back to the vicinity of the near solar system only once every 26 million years. It would make its closest approach out beyond the known planets in the cloud of comets that is believed to exist there.

No one has seen this comet cloud, but astronomers assume from the trajectories of known comets that they come from the region, known as the Oort Cloud.

As the companion star passed in or close to the cloud, according to the hypothesis, its gravitational force would jostle hundreds of thousands of comets and send many careening toward the Sun, affecting the planets.

The last time this must have happened, judging by the Sepkoski-Raup interpretation of the fossil record, was about 13 million years ago. Thus, Nemesis would now be at the farthest point in its orbit, due back in another 13 million years.

Since April, astronomers at the University of California's Lick Observatory have been



using a 30-inch telescope in an attempt to detect any stellar object whose motions might betray its likelihood as a solar companion. This March, telescopes farther south are to begin looking at other parts of the sky.

Daniel P. Whitmore, an astronomer at the University of Southwestern Louisiana at Lafayette, came forward with a similar companion-star hypothesis at about the same time that Dr. Muller's group did.

Now Dr. Whitmore has conceived of an alternative hypothesis that is

beyond Pluto and in the inner fringe of the Oort Cloud. Being fairly close to the Sun, it would have a stable orbit. The planet would have long ago cleared out a comet-free gap in the cloud.

But Dr. Whitmore thought of a way in which the planet could cross the comet disk twice every 52 million years to cause a destructive fall of comets on Earth.

According to the Whitmore hypothesis, developed with John Matese at Southwestern Louisiana, the planet would orbit the Sun once every 1,000 years in a region far

from the Oort Cloud. Being fairly close to the Sun, it would have a stable orbit. The planet would have long ago cleared out a comet-free gap in the cloud.

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Discarded Plastic Killing Marine Life, Scientists Warn

By Bayard Webster
New York Times Service

THE world's seas and oceans, already polluted with oil, toxic chemicals and radioactive waste, are being fouled by a new and insidious form of pollution — plastic waste.

Plastic pollution is killing millions of birds, fish, whales, seals and sea turtles, marine scientists report. Their research has shown that the animals die after becoming entangled with discarded or broken plastic fish nets, traps, trawls, seines and seines, or after eating pieces or tiny spheres of plastic that are being dumped into all the world's marine waters.

The problem has become so serious that 150 marine wildlife researchers from 10 countries met recently at the University of Hawaii in

Honolulu for the first international conference on the issue. The meeting focused on the impact that nonbiodegradable plastic wastes and sections of untended nets have on animals that live in or depend on the ocean.

"It's a worldwide problem and one that's increasing," said Warren King, chairman of the U.S. section of the International Council for Bird Preservation in Cambridge, England. Mr. King said in an interview that the number of plastic-related deaths of birds and marine mammals "boggles the mind."

Although ocean swimmers and coastal walkers have noticed an increasing amount of plastic litter on the shores, little was known until recently about the nature of such wastes, how they enter the oceans and just how great the problem is.

The National Academy of Sciences estimates that commercial fishing fleets dump more than 52 million pounds of plastic packaging material a year into the sea and lose more than 298 million pounds of plastic fishing gear, including nets, lines and buoys.

The Entanglement Network, a Washington-based consortium of 14 environmental and marine wildlife conservation groups, presented data at the conference showing that one million to two million sea birds such as albatrosses, puffins, gulls, terns, murres and petrels die each year from becoming entangled in plastic nets or from eating bits of discarded plastic.

More than 100,000 sea mammals, including whales, dolphins, seals and manatees, met similar deaths, the group said.

Peres's Return: New Style Revives an Old Warrior

Israeli Leader Uses Conciliatory Tone to Dominate His Rivals in Coalition

By Thomas L. Friedman
New York Times Service

JERUSALEM — A few weeks ago, Prime Minister Shimon Peres visited a school in Ashdod, a town known politically as Ariel Sharon country and a place where, in the past, Mr. Peres ran the risk of being pelted with tomatoes.

This time, though, when the prime minister stepped into the crowd of students, they greeted him with chants of "Peres! Peres!" as if he were the town's favorite son.

Mr. Peres's face brightened with embarrassment at the cheers. He is not accustomed to such adulation.

After 100 days in office, Mr. Peres appears to have clearly outmaneuvered his political rival and coalition partner, Yitzhak Shamir, and established himself as the dominant political figure in Israeli poli-

tics. For a man whose political career has repeatedly been written off, this is no small achievement.

A poll by Ma'ariv, a Tel Aviv newspaper, showed that in September, soon after the elections, 29 percent of the Israeli public preferred Mr. Shamir as prime minister and 27 percent wanted Mr. Peres. By November, Ma'ariv's poll showed 42 percent for Mr. Peres and 11 percent for Mr. Shamir.

Mr. Peres and Mr. Shamir, officially the "altermate prime minister and foreign minister," are theoretically equal partners in the coalition government. But it is the style, the tone and the general outlook of Mr. Peres and a colleague, Defense Minister Yitzhak Rabin, that have tended to dominate Israeli policy.

The Labor ministers came into the government hungry to do

things, said Nahum Barnea, editor of the political weekly *Kotzeret* sheet. "They had been out of power for seven years. The Likud rainmakers are not that hungry anymore."

While no one in Mr. Peres's circle discusses it openly, it seems clear to many Israelis that he has used the economic crisis as a cover to bring about a virtual freeze on building of Israeli settlements in the West Bank. This was noticed by the opposition last week and resulted in a stormy debate in Parliament.

As for Mr. Shamir, political commentators in Israel say it is still far too early to count him out. The style and face of government may not be his, but he has not yet had to give way permanently on any important policy issue. Public support for Likud policies remains substantial, says Hanoch Smith, a pollster.

According to the 50-month coalition agreement, Mr. Shamir and Mr. Peres will trade places on Oct. 14, 1986. But few political commentators say they believe that will ever happen.

The feeling is that Mr. Peres will eventually be able to put together a new "Likudless" government before then through new elections or by engineering a breakup of the coalition. Some commentators say that sometime before October 1986, Mr. Shamir's ambitious rivals for power, David Levy and Ariel Sharon, will topple him.

The 50-month coalition agreement is an accord strictly between Mr. Shamir and Mr. Peres. This is an advantage for Mr. Shamir in maneuvering for the party leadership, since if he were deposed by either Mr. Sharon or Mr. Levy, the party would be forfeiting an automatic chance at the prime ministry.

Mr. Shamir has stumbled badly since giving up the prime minister's job, political commentators say. Out of office and lacking the authority of a prime minister, he has not been able to deliver on several patronage jobs for his allies. He is

now trying to rebuild his strength in the party in order to prevent Mr. Sharon and Mr. Levy from bringing him down.

Mr. Peres's main achievement to date, and the one for which he is probably most appreciated at home and abroad, has been to introduce a new political style into Israeli politics.

He has helped to eliminate much of the verbal violence between Labor and Likud supporters that had reached a high pitch under Prime Minister Menachem Begin. The public appears clearly relieved by this new style, even if the ethnic tensions that underlie that verbal violence are still present.

"Peres's tone is pragmatic and down to earth," said Abba Eban, a Labor Party member and chairman of the Foreign Affairs Committee in parliament. "He doesn't brandish the Holocaust or appeal to biblical roots when making a point. The national style has changed. It is no more that we are the 'traitors' and they are the 'Yasists.' There is now a kind of solidarity, and we needed this badly."

Israel's image abroad also seems to have benefited from this change in style. Mr. Peres has come to represent to the outside world the so-called old, liberal Israel, which many foreigners identified with but which they felt had been lost under the Likud administration.

In the next 100 days, Mr. Peres's colleagues say, style will not be enough. If he hopes to stay in power after 1986, they say, he will have to deliver some substance on many key issues where changes so far have been largely cosmetic.

His government has changed the direction of the economy but still has not cut the budget to the degree it knows it must. The government has demonstrated a new flexibility toward Egypt and Jordan, but has not created conditions for breakthroughs. It has declared its intention to get out of Lebanon, but Israeli troops are still stuck there.



22, Including 2 Candidates, Die in Election Violence in India

The Associated Press

NEW DELHI — The death toll in voting violence in India reached at least 22 Wednesday in a general election expected to return Prime Minister Rajiv Gandhi to power.

An independent candidate in Uttar Pradesh state and one in Andhra Pradesh died of injuries Monday, the first day of the elections, and voting was ordered repeated in their districts. Police said the death of another independent candidate in Andhra Pradesh was believed to be suicide.

The government called out troops in some places to help police keep order. The election ends in 117 districts Thursday and three other Friday. The voting was spread over five days to allow police to concentrate on different areas.

Reports from Bihar state said at least 13 persons died there in election-related violence Monday. Six persons were reported dead elsewhere, and several hundred were injured.

At least 30 persons were killed in the last general election, in 1980, when the prime minister's mother, Indira, won a two-thirds majority. Rajiv Gandhi succeeded his mother within hours of her assassination Oct. 31.

The Times of India criticized the chief election commissioner, Ram Krishna Trivedi, for describing the current election as "one of the most peaceful in recent years" despite growing accounts of violence and charges of using the diplomatic pouch to smuggle cocaine into India, officials said Wednesday.

Complaints were being investigated in other districts. The Election Commission rejected a charge by Rajiv Gandhi's estranged sister-in-law, Maneka, that activists of

repeated at 176 polling stations in six states because of intimidation of voters and the seizure of polling stations by party activists. Reporting was ordered at 135 booths in Bihar alone.

All ballot boxes are being kept sealed and under armed police guard until voting ends Friday in the remote eastern states of Nagaland and Meghalaya.

Mr. Gandhi's Congress (I) Party took over polling stations and stuffed ballot boxes in Amethi, where she had waged a bitter and virtually hopeless campaign to oust the prime minister from his seat.

Members of the militant Kamak Socialist National Liberation Front had set up their own roadblocks last month, bringing rural areas to a standstill.

Jets Over Gulf Hit Spanish Tanker, the 4th Ship in 5 Days

Reuters

MANAMA, Bahrain — A Spanish oil tanker reported that it was attacked by warplanes and hit in the Gulf on Wednesday, shipping sources said.

The vessel, identified as the 122,582-ton Aragon, was struck in an area where Iranian Air Force jets have attacked more than a dozen ships this year, the shipping sources said. The area of the attack is much farther south than the zone where Iraq has launched most of its strikes on shipping.

In Madrid, the tanker's owners, Flotamentos Maritimos, said the ship sustained two hits on deck but that fire on board had been controlled. A company spokesman said there were no casualties among the 40 crew members.

The Aragon was heading for the Saudi Arabian port of Ras-Tanura unladen when it was attacked, he added.

In a distress call, the vessel said it had come under attack about 10 miles (16 kilometers) northwest of an area known as the Shah Alim

shoal. This only a few miles from the spot where the fully laden Indian tanker Kanchenjunga was attacked Tuesday.

That attack was widely assumed to have been carried out by the Iranian Air Force in retaliation for strikes against two tankers by the

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NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
1000000	100.00	99.50	100.00	+0.50	IBM
500000	100.00	99.50	100.00	+0.50	IBM
400000	100.00	99.50	100.00	+0.50	IBM
300000	100.00	99.50	100.00	+0.50	IBM
200000	100.00	99.50	100.00	+0.50	IBM
100000	100.00	99.50	100.00	+0.50	IBM
50000	100.00	99.50	100.00	+0.50	IBM
25000	100.00	99.50	100.00	+0.50	IBM
12500	100.00	99.50	100.00	+0.50	IBM
6250	100.00	99.50	100.00	+0.50	IBM

Dow Jones Averages					
Index	1287.70	1287.70	1287.70	1287.70	1287.70
Indus	1287.70	1287.70	1287.70	1287.70	1287.70
Trans	1287.70	1287.70	1287.70	1287.70	1287.70
Comp	1287.70	1287.70	1287.70	1287.70	1287.70
Chem	1287.70	1287.70	1287.70	1287.70	1287.70
Auto	1287.70	1287.70	1287.70	1287.70	1287.70
Food	1287.70	1287.70	1287.70	1287.70	1287.70
Pharm	1287.70	1287.70	1287.70	1287.70	1287.70
Tele	1287.70	1287.70	1287.70	1287.70	1287.70
Energy	1287.70	1287.70	1287.70	1287.70	1287.70

NYSE Index					
Index	1287.70	1287.70	1287.70	1287.70	1287.70
Indus	1287.70	1287.70	1287.70	1287.70	1287.70
Trans	1287.70	1287.70	1287.70	1287.70	1287.70
Comp	1287.70	1287.70	1287.70	1287.70	1287.70
Chem	1287.70	1287.70	1287.70	1287.70	1287.70
Auto	1287.70	1287.70	1287.70	1287.70	1287.70
Food	1287.70	1287.70	1287.70	1287.70	1287.70
Pharm	1287.70	1287.70	1287.70	1287.70	1287.70
Tele	1287.70	1287.70	1287.70	1287.70	1287.70
Energy	1287.70	1287.70	1287.70	1287.70	1287.70

Wednesday's
NYSE
Closing

Vol. at 3 P.M. 3,348,300
Prev. 3 P.M. vol. 4,726,800
Prev. consolidated close 62,925.00

Tables include the nationwide prices up to the closing on Wall Street

AMEX Diaries					
Index	1287.70	1287.70	1287.70	1287.70	1287.70
Indus	1287.70	1287.70	1287.70	1287.70	1287.70
Trans	1287.70	1287.70	1287.70	1287.70	1287.70
Comp	1287.70	1287.70	1287.70	1287.70	1287.70
Chem	1287.70	1287.70	1287.70	1287.70	1287.70
Auto	1287.70	1287.70	1287.70	1287.70	1287.70
Food	1287.70	1287.70	1287.70	1287.70	1287.70
Pharm	1287.70	1287.70	1287.70	1287.70	1287.70
Tele	1287.70	1287.70	1287.70	1287.70	1287.70
Energy	1287.70	1287.70	1287.70	1287.70	1287.70

NASDAQ Index					
Index	1287.70	1287.70	1287.70	1287.70	1287.70
Indus	1287.70	1287.70	1287.70	1287.70	1287.70
Trans	1287.70	1287.70	1287.70	1287.70	1287.70
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Chem	1287.70	1287.70	1287.70	1287.70	1287.70
Auto	1287.70	1287.70	1287.70	1287.70	1287.70
Food	1287.70	1287.70	1287.70	1287.70	1287.70
Pharm	1287.70	1287.70	1287.70	1287.70	1287.70
Tele	1287.70	1287.70	1287.70	1287.70	1287.70
Energy	1287.70	1287.70	1287.70	1287.70	1287.70

AMEX Most Actives					
Vol.	High	Low	Last	Chg.	
1000000	100.00	99.50	100.00	+0.50	IBM
500000	100.00	99.50	100.00	+0.50	IBM
400000	100.00	99.50	100.00	+0.50	IBM
300000	100.00	99.50	100.00	+0.50	IBM
200000	100.00	99.50	100.00	+0.50	IBM
100000	100.00	99.50	100.00	+0.50	IBM
50000	100.00	99.50	100.00	+0.50	IBM
25000	100.00	99.50	100.00	+0.50	IBM
12500	100.00	99.50	100.00	+0.50	IBM
6250	100.00	99.50	100.00	+0.50	IBM

AMEX Stock Index					
Index	1287.70	1287.70	1287.70	1287.70	1287.70
Indus	1287.70	1287.70	1287.70	1287.70	1287.70
Trans	1287.70	1287.70	1287.70	1287.70	1287.70
Comp	1287.70	1287.70	1287.70	1287.70	1287.70
Chem	1287.70	1287.70	1287.70	1287.70	1287.70
Auto	1287.70	1287.70	1287.70	1287.70	1287.70
Food	1287.70	1287.70	1287.70	1287.70	1287.70
Pharm	1287.70	1287.70	1287.70	1287.70	1287.70
Tele	1287.70	1287.70	1287.70	1287.70	1287.70
Energy	1287.70	1287.70	1287.70	1287.70	1287.70

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close Chg.									
1000000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
500000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
400000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
300000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
200000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
100000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
50000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
25000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
12500	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
6250	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close Chg.									
1000000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
500000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
400000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
300000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
200000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
100000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
50000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
25000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
12500	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
6250	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50

Herald Tribune
BIGGER THAN EVER
1983-84 157,560*
1982-83 148,947
1981-82 141,258
1980-81 135,076
1979-80 128,166

The International Herald Tribune's daily paid circulation continues to break records, up 6% in the past year and 23% in the past four years. More than a third of a million people in 164 countries around the world now see each issue. And latest figures indicate that this rapid growth continues.

*Latest CJD audited figures for July 1983 to June 1984. All figures shown are for July to June.

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close Chg.									
1000000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
500000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
400000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
300000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
200000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
100000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
50000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
25000	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
12500	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50
6250	100.00	99.50	100.00	+0.50	IBM	100.00	99.50	100.00	+0.50

AMEX prices	P.10	Earnings reports	P.15
AMEX high/low	P.10	Price rate notes	P.17
NYSE prices	P.6	Gold markets	P.7
NYSE high/low	P.6	Interest rates	P.7
Commodity prices	P.6	Market summary	P.6
Currency rates	P.7	Outlook	P.6
Commodities	P.10	OTC stock	P.11
Dividends	P.10	Other markets	P.10

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U.S. Stocks
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WALL STREET WATCH

These Economists Better Let Their Bygones Be Bygones

By EDWARD ROHRBACH

STOCK market analysts and their accomplices, the economists, seldom look back. And at this time of year, despite the errors of their past forecasts, they're all looking ahead fearfully to 1985. But before investors try to map winning strategies that are based innocently on these predictions, consider the survey taken last summer of 50 top U.S. economists and published in Institutional Investor magazine.

It looks now, as effects ripple through the credit markets of the Federal Reserve's latest cut in the discount rate, that every one of the economists will have overshot on the prime rate. This is the most popular measure of interest rates — which, in turn, are always cited as one of the most influential factors affecting Wall Street.

Edward S. Hyman Jr. of Cyrus J. Lawrence offered the lowest estimate, 10.5 percent. While this will prove close, only one other economist, Sanford C. Bernstein's David Levine, forecast that the rate would fall below 11 percent.

The consensus among the 50 was 13.36 percent — not even close — and three economists predicted a prime of 15 percent or higher. Besides the prime, the economists were asked to predict year-end rates on 90-day commercial paper, seven-year Treasury notes and 30-year Treasury bonds.

Mr. Levine, who is not only a top contender this year for producing the most accurate complete forecast, came in second for his predictions last time and first in the 1982 survey. "But the year before that, out of 40 economists who made forecasts, I came in 40th, dead last," he admitted.

Asked how he has managed to do so well lately, Mr. Levine said it is important to remember that with the financial system deregulated "where rates move, as they do in most years, they move fast and a lot." Most forecasters, he said, tend to cluster their predictions around present levels.

For the year ahead, Mr. Levine expects interest rates to decline until "approximately summer, then rise the last four months of the year." Bank prime will stand at 9 percent by summer, he forecast, and 9.5 percent by year-end.

MARTIN Zweig, editor of the Zweig Forecast, emphasized the relationship of monetary factors to the stock market by commenting this week that in the wake of two reductions in the discount rate in less than a month, "the Fed now is forcefully on the side of the bulls."

His "Fed Indicator" moved to plus-3, its highest rating. He said that since 1936 the stock market has gone up each time — 13 cases — when the top rating has been in force, with an annualized gain of 48.2 percent.

"And some of the market's greatest rallies ever have started on the heels of double moves toward ease by the Fed, including 1954, 1958, late 1970, May 1980, and mid-1982," he added.

The stocks most recently added to his buy list are CooperVision, LTX Corp., Micron Technology and QMS Corp. Greg A. Smith, research director at Prudential-Bache, who has been predicting a stronger market after correctly turning sour on stocks a year and a half ago, thinks investors have finally "come around to the idea" that the declines in interest rates mean "the economy will get moving again."

The pause in economic activity that began last summer not only set the stage for the lower rates, he said, but "helped keep a lid on inflation for another year and extended the life of this business cycle for another year or two." With the drop in rates (Continued on Page 11, Col. 5)

Currency Rates

Late interbank rates on Dec. 21-26, excluding fees. Official findings for Amsterdam, Brussels, Frankfurt, Milan, Paris, New York rates of 2 P.M.

	\$	£	D.M.	F.F.	Y.	Sw.	S.F.	Yen
Amsterdam	3.529	4.151	12.284	34.94	8.1043	—	5.652	137.25
Brussels	46.70	73.46	20.975	6.571	2.2575	—	—	34.38
Frankfurt	3.124	3.653	—	—	—	—	—	—
London (1)	1.7705	—	—	—	—	—	—	—
Milan	1,724.00	2,229.00	—	—	—	—	—	—
New York (2)	—	—	—	—	—	—	—	—
Paris	5.28	11.34	3.602	—	—	—	—	—
Switzerland	2.4755	—	—	—	—	—	—	—
Tokyo	2.4675	3.6028	—	—	—	—	—	—
1 ECU	8.7138	6.6112	—	—	—	—	—	—
1 SDR	1.9534	0.8279	—	—	—	—	—	—

Dollar Values

	£	Sw.	Y.	Sw.	Y.	Sw.	Y.
1 ECU	8.7138	6.6112	—	—	—	—	—
1 SDR	1.9534	0.8279	—	—	—	—	—
1 ECU	8.7138	6.6112	—	—	—	—	—
1 SDR	1.9534	0.8279	—	—	—	—	—

Interest Rates

	1 mo.	3 mos.	6 mos.	1 yr.	2 yr.	3 yr.	5 yr.	10 yr.
10% 100% 50% 50%	—	—	—	—	—	—	—	—
20% 10% 5% 5%	—	—	—	—	—	—	—	—
30% 10% 5% 5%	—	—	—	—	—	—	—	—
40% 10% 5% 5%	—	—	—	—	—	—	—	—

	1 mo.	3 mos.	6 mos.	1 yr.	2 yr.	3 yr.	5 yr.	10 yr.
10% 100% 50% 50%	—	—	—	—	—	—	—	—
20% 10% 5% 5%	—	—	—	—	—	—	—	—
30% 10% 5% 5%	—	—	—	—	—	—	—	—
40% 10% 5% 5%	—	—	—	—	—	—	—	—

	1 mo.	3 mos.	6 mos.	1 yr.	2 yr.	3 yr.	5 yr.	10 yr.
10% 100% 50% 50%	—	—	—	—	—	—	—	—
20% 10% 5% 5%	—	—	—	—	—	—	—	—
30% 10% 5% 5%	—	—	—	—	—	—	—	—
40% 10% 5% 5%	—	—	—	—	—	—	—	—

	1 mo.	3 mos.	6 mos.	1 yr.	2 yr.	3 yr.	5 yr.	10 yr.
10% 100% 50% 50%	—	—	—	—	—	—	—	—
20% 10% 5% 5%	—	—	—	—	—	—	—	—
30% 10% 5% 5%	—	—	—	—	—	—	—	—
40% 10% 5% 5%	—	—	—	—	—	—	—	—

	1 mo.	3 mos.	6 mos.	1 yr.	2 yr.	3 yr.	5 yr.	10 yr.
10% 100% 50% 50%	—	—	—	—	—	—	—	—
20% 10% 5% 5%	—	—	—	—	—	—	—	—
30% 10% 5% 5%	—	—	—	—	—	—	—	—
40% 10% 5% 5%	—	—	—	—	—	—	—	—

	1 mo.	3 mos.	6 mos.	1 yr.	2 yr.	3 yr.	5 yr.	10 yr.
10% 100% 50% 50%	—	—	—	—	—	—	—	—
20% 10% 5% 5%	—	—	—	—	—	—	—	—
30% 10% 5% 5%	—	—	—	—	—	—	—	—
40% 10% 5% 5%	—	—	—	—	—	—	—	—

	1 mo.	3 mos.	6 mos.	1 yr.	2 yr.	3 yr.	5 yr.	10 yr.
10% 100% 50% 50%	—	—	—	—	—	—	—	—
20% 10% 5% 5%	—	—	—	—	—	—	—	—
30% 10% 5% 5%	—	—	—	—	—	—	—	—
40% 10% 5% 5%	—	—	—	—	—	—	—	—

	1 mo.	3 mos.	6 mos.	1 yr.	2 yr.	3 yr.	5 yr.	10 yr.
10% 100% 50% 50%	—	—	—	—	—	—	—	—
20% 10% 5% 5%	—	—	—	—	—	—	—	—
30% 10% 5% 5%	—	—	—	—	—	—	—	—
40% 10% 5% 5%	—	—	—	—	—	—	—	—

	1 mo.	3 mos.	6 mos.	1 yr.	2 yr.	3 yr.	5 yr.	10 yr.
10% 100% 50% 50%	—	—	—	—	—	—	—	—
20% 10% 5% 5%	—	—	—	—	—	—	—	—
30% 10% 5% 5%	—	—	—	—	—	—	—	—
40% 10% 5% 5%	—	—	—	—	—	—	—	—

	1 mo.	3 mos.	6 mos.	1 yr.	2 yr.	3 yr.	5 yr.	10 yr.
10% 100% 50% 50%	—	—	—	—	—	—	—	—
20% 10% 5% 5%	—	—	—	—	—	—	—	—
30% 10% 5% 5%	—	—	—	—	—	—	—	—
40% 10% 5% 5%	—	—	—	—	—	—	—	—

	1 mo.	3 mos.	6 mos.	1 yr.	2 yr.	3 yr.	5 yr.	10 yr.
10% 100% 50% 50%	—	—	—	—	—	—	—	—
20% 10% 5% 5%	—	—	—	—	—	—	—	—
30% 10% 5% 5%	—	—	—	—	—	—	—	—
40% 10% 5% 5%	—	—	—	—	—	—	—	—

	1 mo.	3 mos.	6 mos.	1 yr.	2 yr.	3 yr.	5 yr.	10 yr.
10% 100% 50% 50%	—	—	—	—	—	—	—	—
20% 10% 5% 5%	—	—	—	—	—	—	—	—
30% 10% 5% 5%	—	—	—	—	—	—	—	—
40% 10% 5% 5%	—	—	—	—	—	—	—	—

OPEC Is Urged To Agree

Kuwait Warns Of a Price Drop

The Associated Press

ABU DHABI — Kuwait's oil minister, Sheikh Ali Khalifa al-Sabah, warned Wednesday of further declines in oil prices if OPEC fails to agree on a plan to enforce its price and production quotas.

The warning came on the eve of the resumption of the year-end meeting of the Organization of Petroleum Exporting Countries, which was recessed Friday to allow oil ministers to consult their heads of state about the enforcement proposal.

In an interview with the United Arab Emirates news agency, WAM, Sheikh Ali also warned Norway and Britain, which are not OPEC members, against further reductions in their oil prices.

Such price-cutting, he said, would lead to consequences which the North Sea oil producers "themselves would not be able to bear."

Sheikh Ali was in Abu Dhabi for consultations with the UAE before returning to Geneva for the OPEC session Thursday.

Sheikh Ali said he was confident the 13-nation organization would agree to create a policing agency "to protect OPEC from itself."

Without restoring credibility by sticking to its quotas, he said, OPEC member states would go for individual gains and unilateral production increases, leading to a collapse of prices on the market.

OPEC has been trying to defend its official prices with a production cutback, but has been hampered by cheating on quotas from within its own ranks and by warmer-than-expected temperatures in the Northern Hemisphere.

In October, the ministers agreed to reduce the cartel's output to 16 million barrels a day from 17.5 million barrels in hopes that temporary shortages would arise as winter began in the Northern Hemisphere.

The ministers said they hoped reduced production and increased demand would maintain the official price of \$29 a barrel for OPEC's benchmark blend, Arabi, at a light crude oil.

So far, the plan has failed to prop up world oil prices, with Arabi trading Wednesday at \$27.45 a barrel on the spot, or noncontract, market.

Productivity In U.S. Seen Staying High

United Press International

NEW YORK — After an extended period of dismal performance, U.S. productivity is expected to begin a period of sustained growth, the Conference Board reported Wednesday.

The public-information organization said productivity in business rose 2.9 percent in 1983 — one of the largest gains since World War II — and is expected to maintain a strong, annual growth rate of about 2.5 percent through 1989.

U.S. productivity from 1973 through 1982 averaged less than 0.1 percent a year, the lowest 10-year figure in almost a century, and one of the lowest performances of any industrialized nation.

The report said the causes of the slowdown, while not yet fully understood, may include rapid rises in oil prices, the termination of historic farm-to-factory labor transfers, slowing research and development spending, inflationary fiscal and monetary policies, and a general deterioration in the quality of the work force.

John Kendrick, an economics professor at George Washington University in Washington and chief of analysis at the Conference Board, said the anticipated long-range productivity growth is a result of the reversal of many of the trends that, in part, produced the slowdown during the last decade.

Mr. Kendrick said the Economic Recovery Tax Act of 1981 has raised profitability and has given new incentives to invest in plant and equipment.

The much reduced inflation rate has encouraged entrepreneurs, venture-capital firms and other risk takers. Deregulation has encouraged price competition, cost-cutting and efficiency drives, while a larger percentage of budgets have been earmarked for production rather than regulatory compliance and energy-conservation programs necessary during the 1970s and early 1980s, he added.

Mr. Kendrick also cited improved management-labor relations, new communications technologies raising efficiency and stimulating new research and development and the maturation of the "baby boom" generation, which swamped the labor force during the last two decades with low skilled and inexperienced workers.

Mesa-Phillips Plan Called a Model For Oil Firms To Avoid Takeovers

By Michael Blumstein

New York Times Service

NEW YORK — At the beginning of last week, executives of Phillips Petroleum Co. convened their investment bankers and lawyers in New York to find a way to fend off T. Boone Pickens, the Texas corporate raider who was attempting to wrest control of the company.

By the time Phillips and Mr. Pickens came to terms Sunday after a weekend of difficult telephone negotiations, a complex and novel plan had been crafted.

Those familiar with its evolution say it was the only feasible way to protect Phillips employees, get rid of Mr. Pickens and his Mesa Partners, and benefit Phillips' other shareholders, at least to some extent.

In fact, some analysts think the plan may become a model for the financial restructuring of other oil companies that have somewhat lackluster records but do not want to be swallowed up.

"It's a lot more important than just a partial success for Boone Pickens," said Alan Edgar, an oil analyst with Schneider, Berner & Hickman Inc. in Dallas. "It has some far-reaching ramifications."

There are other companies out there that are going to get exposed to this blueprint, either voluntarily or involuntarily."

Phillips' problems began when Mesa Partners, a group led by Mr. Pickens, president of



T. Boone Pickens

Mesa Petroleum Co. in Amarillo, Texas, bought nearly 6 percent of the company's shares and announced that it wanted another 15 percent and control of the board.

Other companies in similar binds had either repurchased the raider's shares at a premium or sold out to a friendly suitor.

But Mr. Pickens had insisted that he would not sell his stock unless all shareholders got the same price — although some people are questioning whether he has shied by this ploy.

Phillips, based in Bartlesville, Oklahoma, a small town with few other job prospects for residents, was reluctant to sell and see its headquarters disbanded.

Under the proposed solution, Phillips would issue \$3.5 billion in new debt and use these securities to repurchase 38 percent of its shares. It would also buy back another \$1 billion worth of shares on the open market.

In addition, Phillips would sell nearly a third of its stock to its employees through an Employee Stock Ownership Plan, or ESOP.

Finally, to pay off some of its new debt, the company would sell about \$2 billion worth of unspecified assets.

While each individual maneuver is fashionable now in corporate finance, their combination was unusual, according to several of the Mesa-Phillips negotiators, all of whom requested anonymity.

But, they added, each element was meant to please a key constituency without inflicting great financial pain on the company.

The \$1-billion stock repurchase, the negotiators said, would provide immediate cash to those who elected to sell.

They said the repurchases would, at least in theory, increase the value of the remaining stock because profits would be divided among fewer shares.

Some companies, in fact, have followed this strategy to an extreme in recent years, borrowing heavily to repurchase all their

money for the stock at favorable rates because of federal tax laws.

4. Phillips arranges for Mesa Partners to sell its 8.9 million shares for \$53 each, making up the difference if the market price falls below \$53.

5. Phillips sells about \$2 billion worth of assets to pay off some of its new debt.

The result: The public owns about 62 percent of Phillips' 107 million shares outstanding, and its employees own the other 38 percent through the ESOP and other plans. The company's long-term debt as a percentage of shareholders' equity increases to an estimated 70 percent, from 35 percent.

Traditionally, the price for a seat on the Tokyo exchange is divided in two parts — a "base price" fixed by the size of the company that goes to the exchange itself and a "premium" that goes to the firm selling the seat. Mr. Iwakuni said that Merrill Lynch had been assessed a "base price" of \$5 million. He would not disclose the "premium," but he said it was lower than Utsunomiya's \$2.5 million.

He said that Merrill Lynch faced a problem in its bid for the seat. It was afraid of being criticized if it paid too much for the seat, yet it wanted the seat and realized it would command a high price.

Exchange officials have defended the price by arguing that

A Summary of How the Phillips Plan Would Work

New York Times Service

Here is a summary of the steps Phillips Petroleum Co. would take in its proposed recapitalization plan:

1. Phillips repurchases 38.8 million shares, or 38 percent of the approximately 154 million shares outstanding, with debt having an intended market value of \$60 a share, or a total of \$3.5 billion.

2. After the stock is exchanged for debt, Phillips spends at least \$1 billion in the open market over a year to purchase about 20 million more shares.

3. Phillips issues up to 32 million shares to an Employee Stock Ownership Plan, which can bor-

row money for the stock at favorable rates because of federal tax laws.

4. Phillips arranges for Mesa Partners to sell its 8.9 million shares for \$53 each, making up the difference if the market price falls below \$53.

BUSINESS ROUNDUP

Canada Moves Ahead On Privatization Plan

By Fred Langan
International Herald Tribune
TORONTO — Canada's new Conservative government is moving ahead with plans to sell 10 billion Canadian dollars (\$7.6 billion) of government-owned corporate assets, including a company that makes business jets and a satellite communications company.

As the "privatization" program begins, officials are even considering the sale of its airline, Air Canada. No price has been set.

Air Canada, the 12th-largest airline in the world, has assets of 2.2 billion Canadian dollars and earned 22.6 million Canadian dollars in the first nine months of 1984.

But one Canadian investment banker who has been working on privatization projects in Britain said the Canadian government had yet to set out its final objectives.

"Are they going just for the top price or do they want wide public ownership?" he asked. "No one in the Canadian government has answered those kind of questions."

The companies being sold are held by Canada Development Investment Corp., which owns 48 percent of the shares of Canada Development Corp., set up in the 1970s to run certain government-owned companies.

The investment corporation was formed two years ago to oversee the government's holdings in the development corporation and other government assets.

Canada Development Corp. has assets in oil, natural gas, coal, base metals and potash. It owns a large petrochemical complex in Sarnia, Ontario, called Polysar.

It also has diverse holdings that range from word processors to bio-engineering.

In addition to its part-ownership of Canada Development Corp., Canada Development Investment Corp. owns — and wants to sell — Telelobe Canada, Eldorado Nuclear, Canadair, De Havilland Canada, and preferred shares of Massey Ferguson worth 125 million dollars.

One of the first things the government of Prime Minister Brian Mulroney did when it took office this year was get rid of Joel Bell, the president of the development investment corporation. He was considered too closely tied to the former Liberal government.

To replace him, the government hired Paul Marshall, who is with the Brascan group controlled by the Broadman family.

According to Industry Minister Sinclair Stevens, Brascan is in charge of selling the assets.

"We've turned in Brascan to perform a merchant banker function for us, and they've been given a mandate to privatize this group," said Mr. Stevens, the main cabinet minister involved in the effort.

Telelobe Canada has generated the most interest. It handles all foreign telecommunications, except with the United States, and owns land receiving stations and parts of satellites.

Bell Canada and smaller phone companies want to buy Telelobe for its book value, 350 million dollars.

They also want to buy Telesat, the domestic satellite company. Telelobe owns 50 percent of Telesat, and the phone companies already own the other half.

Canadair, which makes the executive jet Challenger, has some suitors, more than the other aircraft maker, De Havilland.

Bottlers Lead Forbes List of Best Earners

The Associated Press

NEW YORK — The most profitable U.S. businesses over the last five years were soft drinks and tobacco products, Forbes magazine says in its Jan. 1 issue.

In its 37th annual report on American industry, Forbes said the soft-drink industry had a 27.1-percent return on equity over the last five years while distillers earned an 18.3-percent return on equity. The combined return on equity for the entire beverage industry was 22.4 percent.

The tobacco industry's return on equity was 20.3 percent over the past five years, the bi-weekly business magazine said. Return on equity is profit stated as a percentage of the combined value of all common and preferred stock.

Oil field-drilling equipment and services finished third in five-year industry profitability, with a 20.1-percent return on equity, Forbes said.

The health-care industry finished fourth, with a five-year return of 19.9 percent. The publishing industry finished fifth, with a 19.2-percent return, and the petroleum industry was sixth, with an 18.9-percent return on equity.

In seventh place was the service industry, including fast-food chains, food distributors and industrial and office service companies. This group had a combined return on equity of 18 percent.

Rounding out the top 10, by industry and return on equity, were: electrical equipment, 17.7 percent; computers, 17.4 percent; and broadcasting, 16.9 percent.

Neste Branches Out Internationally

By Maryn Summerhill
Reuters

HELSINKI — Finland's largest company, Neste, is branching out from its traditional oil-importing and -refining business to become involved in ventures as far apart as the United States and the Far East.

The state-owned group's latest foray abroad is a 10-percent share in a \$600-million petrochemical plant in Saudi Arabia, which it is undertaking with Italian and Arab partners.

Neste is also involved in oil-exploration and -production ventures in Denmark, the North Sea, the United States, Africa, the Far East and the Middle East, and has been expanding into the chemical industry and allied areas.

It owns almost 40 foreign companies involved in chemicals, including ventures in Sweden, the United States, Britain and West

Germany. The division now accounts for about 10 percent of volume, which grew 34 percent to \$3.6 billion last year and is likely to rise to \$5 billion this year.

The company sees the expansion as the obvious thing to do.

"Because of our own traditional industry in processing oil, it is natural we should expand into the petrochemical and plastic sectors," a company official told Reuters.

"And as there are very few companies in those fields in Finland, it is very natural for us to buy up such companies abroad," he added.

Industry sources said that a slight drop in Neste's sales of refined-oil products in Finland last year, caused by conservation efforts by industrial and residential customers, might provide a clue to the group's wish to expand into other areas.

They added that Neste could

prosper in petrochemicals and plastics, particularly in the Nordic region and in other regions where the industry's giant multinationals would not wish to diversify.

At home, Neste is seeking to expand deliveries of natural gas from the Soviet Union. The group is raising more than \$130 million with government help to extend a pipeline in Helsinki and perhaps further to the southwest.

Industry sources said the project's success would depend on its price competitiveness with local suppliers of coal gas and other fuels.

But the company remains firmly attached to its major business, the importing and processing of crude oil, mainly from the Soviet Union. Deliveries total around 10 million metric tons a year, 85 percent coming from the Soviet Union, 13 percent from the Middle East and the rest from the North Sea.

COMPANY NOTES

Amtech Resources said it sold its oil and natural-gas producing properties in Texas and Tennessee to Holly Oil Co. for \$2.25 million. The company, based in Irving, Texas, said the sale leaves it primarily engaged in the oil field-supply business.

Canon Inc. said it will introduce a new 8-millimeter videotape-recorder system in the United States and Canada after Jan. 5. It said the units would retail for \$1,200.

Fujifilm Ltd. said it will set up two joint-venture companies with Aluminum Co. of America in Spartanburg, North Carolina, to make optical-fiber products and accessories beginning late in 1985.

Isrameco Inc. said it has agreed with Hei Oil & Gas Corp. to expand the two companies' exploration activities in Israel through a joint venture to be formed with

U.S. investors. The company said it received orders for 12 MD-87 airliners from Finland and Austria.

McDonnell Douglas said it has received orders for 12 MD-87 airliners from Finland and Austria. The company said Finnair ordered eight of the twin-engine aircraft while Austrian Airlines ordered four. Industry sources estimated the value of the contracts at \$240 million.

National Industrialization Co. of Saudi Arabia said it expects to begin offering stock in a \$56-million steel-products plant in Saudi Arabia investors next month. NIC said it will provide between 30 and 40 percent of the required capital, West Germany's Eisenbau Essen, 20 to 30 percent, and private investors the rest.

Nichimen Corp., a Japanese trad-

ing company, said it and Orient Leasing Co. will finance a \$100-million lease sale of four Airbus for Pan American World Airways.

Olin Corp. said it has acquired Apache Chemicals Inc., of Seward, Illinois, for an undisclosed price. Apache is a supplier of specialized chemicals and equipment to the semiconductor and fiber-optics industries.

Schlumberger Ltd. and Sedco Inc. said their merger had been completed as of the close of business on Dec. 24. Under terms of the merger, Schlumberger will issue approximately 13 million shares of common stock and \$482 million in cash for all of Sedco.

Singapore Glass (1974) Ltd. said it agreed to acquire two local property companies, Parkway Properties and Parkway Land, for stock valued at 177.6 million Singapore dollars (\$80.7 million).

Mesa-Phillips Pact Called Model for Oil Firms Seeking to Avoid Takeovers

(Continued from Page 7)
stock and going private in so-called leveraged buyouts.

"This is sort of a semi-leveraged buyout," one negotiator said.

The ESOP, meanwhile, would help Phillips prevent future raids by placing a large block of stock in friendly hands, namely those of its employees, negotiators said.

The deal provided immediate funds to the shareholders, it gives good incentives to the employees to make a highly leveraged company successful and it solved the Pickens problem, so it all sort of fell together," said one negotiator.

Said another participant: "They didn't go out and make a dumb acquisition. They didn't try to buy Mesa or erect some kind of barrier to make themselves impossible to buy at all. You look at all the things that other people have done, and

you'll find that this action is pretty reasonable."

Nevertheless, the proposed solution — it still faces a vote by Phillips stockholders — was not greeted with enthusiasm.

In heavy trading, Phillips's shares fell Monday by \$9.625, to close at \$45.25. The market was closed Tuesday.

In addition, some analysts said the plan suggested "greenmail," the highly criticized practice in which a company pays a premium to repurchase a raider's shares, leaving everyone else's stock to plunge in the open market.

In an interview last June, Mr. Pickens professed a strong dislike of greenmail. "It's the worst thing I've ever seen," he said.

But prompting the question is a guarantee that Phillips made to Mr. Pickens and his Mesa Partners.

The company said that if they could not sell their 8.9 million Phillips shares for \$53 each in the open market — realizing a profit of \$89 million — it would make up the difference.

And if Phillips shareholders reject the entire recapitalization plan, the company would buy the Pickens holdings for \$53 a share anyway.

Critics noted that no other stockholder got that guarantee.

While Phillips said the plan was meant to stabilize everyone's stock at \$53, the shares fell on Monday. "It has that sense" of greenmail, said Sanford Margoshes, an oil analyst with Shearson Lehman/American Express. "Presumably he is being bought out at what other shareholders would get. But this remains to be seen."

"Sure," said one official from the Phillips side, agreeing that the plan suggested greenmail.

"Here's a guy who buys a position and uses it to profit. This is no different than any of these other situations," the official said. "It happens to be combined with another transaction that's designed for the benefit of Phillips's shareholders. But Mr. Pickens was looking out for Mesa and not for Phillips's shareholders."

In a telephone interview from Amarillo on Monday night, Mr. Pickens strongly disagreed.

"Obviously, we had disappointment in the deal today," he said, referring to Phillips's stock price.

"But my gosh, on one day of trading before Christmas, I'm not ready to concede for one minute that the stockholders aren't going to get \$53."

Mr. Pickens argued that if he had

just resold his shares to Phillips without negotiating the whole package, its shares would ultimately have wound up at \$35, even \$30.

"We've had tremendous market value put into this company," he said. "I'm not going to get on the defensive on this one, and I do not see this as greenmail."

Mr. Pickens was asked if he would have accepted the same package that is to be offered to other shareholders — \$60 a share in Phillips debt for 38 percent of his stock. He said, "They wouldn't give us the same deal. They said, 'You're out.' They wanted us out of there."

Mr. Pickens also rejected concerns that Phillips would be weakened by the plan. By one estimate, its ratio of long-term debt to stockholders' equity would double, to 70 percent.

Analysts think there are other oil companies that Mr. Pickens will prod into becoming more financially aggressive.

Mr. Edgar, the Dallas analyst, said Unocal Corp. or Sun Co. could be next on his list, or perhaps Mobil Corp. or Texaco Inc.

Mr. Pickens agreed the Phillips plan may become a model for others.

"There's no doubt that the first design to the deal is not going to be the final design," he said. "But this can very well be an indication of the way some things may go."

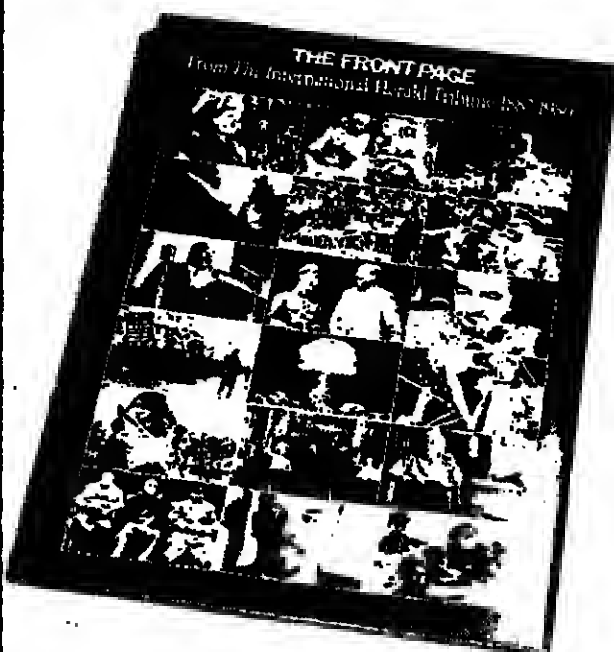
French Prices Rise 0.3%

PARIS — French retail prices rose 0.3 percent in November after a 0.7 percent October rise, the National Statistics Institute said Wednesday.

THE FRONT PAGE

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SPORTS

King Scores 60 Points; Knicks Still Lose

By Sam Goldaper
New York Times Service

NEW YORK — Bernard King scored 60 points Tuesday night, more than any player in the National Basketball Association in more than six seasons, more than any New York Knick in any season and more than any player in the history of the current Madison Square Garden. But the personal

NBA FOCUS

glory was not enough to prevent a 120-114 loss to the New Jersey Nets.

Elsewhere in the NBA, Philadelphia beat Detroit, 109-108; Cleveland defeated Atlanta, 109-106, and Portland stopped Golden State, 106-97.

The Nets, trailing by as many as 16 points in the closing seconds of the first half, rallied behind Michael Ray Richardson, Mike Gminski and Kevin Ramsey. Richardson, the former Knick, had a career high of 36 points, 24 in the second half. Gminski and Ramsey each had season highs of 27 and 24 points, respectively.

But the major factor came when Coach Stan Albeck of the Nets, as a last resort, sent in George Johnson to try to stop King after a 40-point first half. Johnson, a 6-foot-11-inch

defensive-minded center, used his long arms and 4-inch height advantage to do the job. King scored 9 points in the final period, but 7 were from the free-throw line as he shot 1 for 6 from the field.

Two of those free throws, his 57th and 58th points, with 4:49 left, enabled King to break the Knick scoring mark of 57, which Richie Guerin had established in 1959 against the Syracuse Nationals.

When King added two more free throws that gave his team a 109-106 edge 42 seconds later to bring his total to 60, it broke his career high and bettered the previous league season high of 59 points by Purvis Short of the Golden State Warriors.

King scored more points than any player in the league since April 9, 1978, when David Thompson had 73 points for Denver against Detroit and George Gervin 63 for San Antonio against New Orleans. "He was killing us, and there was no one else left on the bench to go to but George," said Albeck, explaining his decision to use Johnson against King. "But I also had a better reason. Bernard is an inside player. We know he's not going to shoot the jumper, and George is an outstanding defensive inside player."

The Nets trailed, 64-54, at the

half. Johnson, 36 years old and in his 12th season, took over guarding King with 5:44 left in the third period. King had 49 points at the time.

"I just put a little body on him," said Johnson. "I know he likes to turn on the baseline, and I also tried to take that away from him."

Johnson blocked four shots, two of them against King. "He didn't bother me," King said of Johnson. "In the fourth quarter the Nets did a better job of double-teaming me."

Couch Hubie Brown, however, thought Johnson, "did an excellent job" by contesting "every one of Bernard's shots."

Net injuries played a key role in King's scoring party. Albeck at first tried to stop King with two small forwards, Jeff Turner and Kevin McKenna. Then, for a short time, he used Buck Williams, a power forward, before switching Richardson from point guard to forward.

When King left for a rest with 58 seconds left in the first quarter, he had shot 6 for 9 from the field and missed only once in 10 shots from the free-throw line for 21 points.

King was even more devastating when he returned with 8:46 remaining in the half. He did not miss a shot to 7 from the floor and

added 5 free throws in seven attempts.

The 40-point half was 2 better than the record for the current Madison Square Garden, which opened in 1968. The overall Garden record for a half and a game is held by Wilt Chamberlain. He had 45 in the first half en route to his 73 points against the Knicks on Nov. 16, 1962.

King was 19 for 30 from the field but got little help from his teammates. He outscored them, 60-54, as they shot only 22 for 51. Pat Cummings and Sparrow were the next highest scorers with 13 points each.

Otis Birdsong, the Nets' top scorer, suffered a pulled muscle in his left leg two minutes before the half and did not return.

But the Knicks had no one to stop Gminski, the Nets' 6-11 center. James Bailey, 6-9, made his first start at center since Nov. 30, but he failed.

Neither could the Knicks guards handle Richardson and Ramsey in the second half. The two drove almost at will. Richardson, who shot 3 for 10 in the first half, was 7 for 12 in the second when he scored 24 points.

As King went cold, the Nets climbed back. With five minutes



Bernard King

left, Richardson gave New Jersey its first lead since the opening basket, 106-105, on a 3-point play. New York retook the lead at 111-108 before the Nets scored 12 consecutive points to seal the victory. After a jumper by Richardson made it 111-110, a basket by Gminski with 2:30 left put the Nets ahead for good.

Remembrance of Autographs Past—The Worthless Harry Gilmer Football

By Ira Berkow
New York Times Service

NEW YORK — A couple of weeks ago, while having coffee in the press room before the New York Giants' football game in St. Louis, a reporter found himself in conversation with two other sportswriters and a third man. The third man wore a cowboy hat and a genial manner. His name is Harry Gilmer, and he is now a scout for the Cardinals.

One of the other sportswriters mentioned something about growing up with two sisters.

The reporter said: "I grew up with a Harry Gilmer football. I got it for a present at the holidays when I was about 9 years old."

Now, the reporter and Gilmer, who had played primarily as an NFL backup quarterback for nine years in the '40s and '50s, had never before met. Gilmer smiled at the reporter and said, "Did the football make you ill?"

"No," said the reporter, "why?"

"Because it made the manufacturer ill."

The football also didn't do much for Bobby Drain's health. Drain lived across the street from the boy who got the football for a present. On that quiet, crisp holiday morning, the boy took the football into the snowy street and began to kick it. The thump of foot meeting ball and the boom of ball bouncing off parked cars roused Drain, who had probably been out celebrating late the night before. He didn't look so good. He opened his window and



Harry Gilmer, as the Lions' coach in 1964.

hollered, "Get that damn football out of here!"

Calendar pages fall away, and it is odd but enjoyable now to run into an autographed sports present 35 years or so after it had been received, and then kicked and played with until the hide had begun to tear and the bladder to pop through.

When Gilmer came out of Alabama as an all-America quarterback and the first-round draft choice of the Washington Redskins in 1948, George Marshall, the owner of the team, made a deal with the Dubow sports equipment company, based in Chicago, for a line of football paraphernalia with Gilmer's signature.

"The idea was," said Gilmer, "that if I would make it big, we'd make a lot of money." He smiled, and added: "It never quite panned out. I think the stuff was on the market for one season."

He was supposed to replace Sammy Baugh at quarterback. "But," said Gilmer, "Sammy played five more years."

Meanwhile, Gilmer played some in the defensive backfield, and in 1952, when Charlie (Choo Choo) Justice broke his arm, Gilmer was called at running back and led the Redskins in number of rushes. But he never played first-string quarterback.

In 1955 he was traded to the Detroit Lions, for whom he was the backup to Bobby Layne for two years, before retiring. He went on to become an assistant coach to the pros and head coach at Detroit.

Gilmer, unlike the reporter, said that, no, he had never got a football for the holidays; that his family, living in Birmingham, Alabama, during the Depression, had been too poor. But he recalled that once he did receive a pair of old shoulder pads. They were given to him by an assistant coach at Alabama, when he was a freshman there in 1944.

"The two of us had gone down into a storage room under the athletic building to get something," said Gilmer, "and I saw these old little hitty pads to a corner of a dirt floor under a pile of rubbish. I never saw pads so small. They interested me."

"A quarterback always wants light pads in order to throw better. I brought them into the light. The only inscription on the pads was the name 'Herky Mosley.' Herky played for Alabama about 10 years before. His brother, Monk Mosley, played with me there. Anyway, who knows how old those shoulder pads were before Herky put his name on them? I asked the assistant coach if I could have them. He said, 'Sure, but I don't know what you're gonna do with 'em.' There was a leather flap missing on the right side, and I asked the equipment manager if he'd sew on a new flap."

"I used those pads for all four years at Alabama and for all nine years in the pros. And every year I had an equipment manager repair 'em and renovate 'em. Guys were shocked at how small they were, and were always joking about throwing them in the garbage, but I loved 'em."

Near the end of Gilmer's playing career, a Detroit defensive back named Jack Christensen broke his arm, and Coach Buddy Parker said to Gilmer: "I want you to play to Jack's place against the 49ers. But you can't wear those old pads."

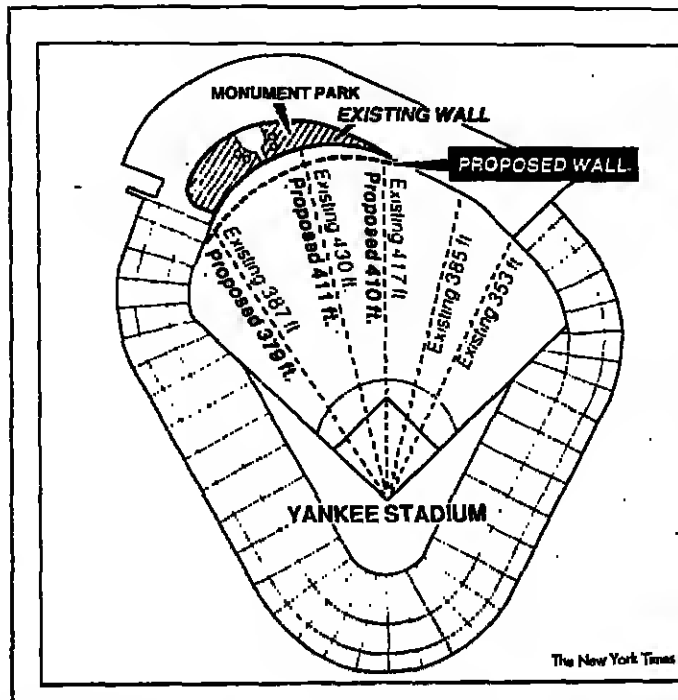
Gilmer reluctantly put on new pads, and it happened that Carroll Hardy, a 49er receiver, got behind him and caught a touchdown pass. "Parker yanked me," said Gilmer, "and brought in Christensen, broken arm and all."

When it was mentioned to Gilmer that maybe the old pads had been too heavy for him to lift his arms to block the pass, he smiled and said, "Gee, hadn't thought of that excuse."

"I never was much of a saver, but I did save those old pads," he continued. "Now, I had made many moves after my playing days, but I always took those pads wherever I went. One day I got a call from Dick McCann, who was then with the Pro Football Hall of Fame to Canton — Dick was an executive with the Redskins when I was there — and he asked if he could get those pads for the Hall of Fame."

"I was never the kind of player to be elected to the Hall of Fame. But my shoulder pads were, and I thought that was great. I told Dick, sure, I'll look for them. But I couldn't find them. I guess they had gotten lost in one of my moves."

Perhaps somewhere in this favored land lie old shoulder pads with one flap off and the name "Herky Mosley" on them, and an old football with the bladder showing and with the autograph, "Harry Gilmer," across it.



Yankees Shorten Outfield Fences

New York Times Service

NEW YORK — For the first time since Yankee Stadium was renovated for the 1976 season, the New York Yankees are bringing in the fences in left-center and center field. The primary reason, George Steinbrenner says, is to build a walkway so fans can visit the monument area to left-center field before games.

"I don't want to cheapen the park," says Steinbrenner, the team's principal owner. "But we're out changing the distances that much, and it will allow our fans to walk out there and look at the monuments and the plaques. It also will make it a little more reasonable than it's been for home runs. People want to see home runs. It hasn't been fair to our right-handed hitters. But the main reason is to let people go out there and see the monuments."

Construction on the fence began earlier this month. The biggest change will be in left-center field, where the 430-foot distance will lose 19 feet to become 411.

The distance from home plate to the left-field foul pole will remain the same, 312 feet. However, straightaway center field will change from 417 feet

to 410 and the range in left-center, previously 387 to 430, will become 379 to 411.

The distances that had been in effect from 1976 through last season were shorter than they were before the stadium was renovated in 1974-75. Previously, the left-field line was 301 feet, the range in left-center was from 402 to 457 and center field was 461.

The stadium's left-center field has been known as Death Valley because right-handed hitters often hit long fly balls that would be home runs in other parks. Because of the vast area, the Yankees always have felt it important to have a good-fielding left fielder as well as a good-fielding center fielder.

In the seasons before the renovation, the three monuments were actually in the playing area. Now they are enclosed to what the Yankees call their memorial park section. The monuments are memorials to Lou Gehrig, Babe Ruth and Miller Huggins. Plaques have been placed on the wall for Ed Barrow, Jacob Ruppert, Joe DiMaggio, Mickey Mantle, Casey Stengel, Joe McCarthy, Thurman Munsoo and visits of Pope Paul VI for a Mass in 1965 and Pope John Paul II for a 1979 Mass.

Winter Baseball Can Be Hazardous

Rick Dempsey Recalls the Day He Saved Bo Diaz's Life

By Ross Newhan
Los Angeles Times Service

SANTO DOMINGO, Dominican Republic — This is how it can be in winter baseball. This is how Rick Dempsey saved the life of Bo Diaz.

It is a story Dempsey told often during the 1983 World Series when he and Diaz were the respective starting catchers for Baltimore and Philadelphia.

In November 1973, however, Dempsey and Diaz were teammates on the Caracas team to the Venezuelan Winter League. The incident took place in Maracaibo after Dempsey, responding to a knockdown pitch, chased the hometown pitcher into a dugout.

"I never really got any blows in," Dempsey said, "but he was a hometown boy and very popular, and the fans didn't like the way I went after him. I didn't help their mood when we came back to win in the ninth inning by scoring four runs."

Dempsey left the park with two teammates. They were conspicuously still in uniform because they changed at the hotel. Dempsey estimated that there were 2,000 fans circling the only available cab. He told his teammates to stay close and bolted for the cab.

"The next thing I know," he said, "is that my teammates are gone and these 2,000 people are coming at me, yelling my name. I tried to get in the cab but some little guy kicked me in the ribs. I turned around, knocked him off balance, got in the cab and locked the doors."

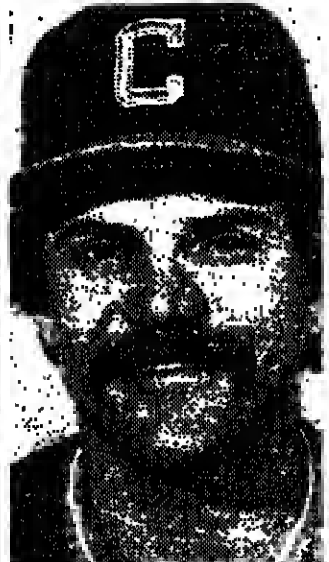
"Now all these people start trying to break the windows and turn the cab over. I was damn scared, but some police arrived at that point and managed to back most of the people away from the cab. They were trying to clear a way out when I spotted Bo and waved for him to jump in the front seat."

Diaz had just relocated the front door when a brick crashed through the windshield. The flying glass cut a vein in Diaz's neck.

"The blood was spurting out," Dempsey said, "and Bo seemed to lose consciousness. He slumped in the front seat. I took the pad I wear under my catchers mitt from my back pocket and put it on his neck



Rick Dempsey



Bo Diaz

to stop the bleeding. They told me later it probably saved his life.

"Meanwhile, the cab is still in the middle of a riot, the police have disappeared and the driver doesn't know what to do. We've got a man bleeding to death in the front seat, a crowd going berserk, and I'm yelling that we've got to get to a hospital. So, what happens? The driver panics and slams into the car in front of us, locking bumpers. Now he puts it in reverse and tears his front bumper off. He finally pushes through all those people and heads for the hospital at full speed, driving over the center divider and on the wrong side of the roads."

Diaz underwent emergency surgery. The only after-effect was a still-evident scar. Dempsey's trauma didn't end there, however.

"I was walking out of the emergency room," he said, "when I see three cops coming through the front door with their sabers drawn. I don't have to be told that they're looking for the guy who started the riot. I ran around to the back door only to bump into three more. There was nothing I could do but go peacefully."

"I mean, he was so tanked up that he didn't know who I was or what he was doing. I couldn't help but think later that in the span of a few hours I'd gone from the ballpark to the cab, to the hospital, to the jail, to my hotel room, and that the only time I had been safe was when they had me behind bars."

The jailed Dempsey was released at 3 the next morning when Oscar Prieto, owner of the Caracas team, convinced police officials that Dempsey would no longer be a problem in Maracaibo since the team was scheduled to play elsewhere the next night.

"I went back to the hotel thinking I'd try to get three or four hours of sleep," Dempsey said, "but all I could do was lay there and think what an incredible night it had been and how lucky I was to have it over. But unfortunately, it wasn't."

"I had a roommate who was a big drinker. I don't know who he thought I was, but when he came in at around 5, he crawled into my bed, put his arm around me and started whispering, 'Oh my darling, my darling. I jumped up, turned the lights on and said, 'hey, what's going on?'

"I mean, he was so tanked up that he didn't know who I was or what he was doing. I couldn't help but think later that in the span of a few hours I'd gone from the ballpark to the cab, to the hospital, to the jail, to my hotel room, and that the only time I had been safe was when they had me behind bars."

SCOREBOARD

Basketball

NBA Standings

EASTERN CONFERENCE

Atlantic Division

Team	W	L	Pct.	GB
Boston	23	6	.793	0
Philadelphia	22	6	.786	1
Washington	16	12	.571	7
New York	12	17	.414	11

Central Division

Team	W	L	Pct.	GB
Milwaukee	19	11	.633	0
Detroit	15	15	.500	4
Chicago	14	16	.464	5
Atlanta	11	19	.367	8
Indiana	7	23	.232	12
Cleveland	4	20	.167	17

WESTERN CONFERENCE

Midwest Division

Team	W	L	Pct.	GB
Denver	17	11	.607	0
Houston	17	11	.607	0
Dallas	13	14	.481	3 1/2
San Antonio	12	14	.464	4 1/2
Utah	12	14	.464	4 1/2
Kansas City	10	14	.417	6

Pacific Division

Team	W	L	Pct.	GB
L.A. Lakers	19	10	.655	0
Phoenix	14	13	.519	5
L.A. Clippers	14	13	.519	5
Portland	14	13	.519	5
Seattle	14	13	.519	5
Golden State	9	19	.321	9 1/2

U.S. College Rankings

The Associated Press ranks the top 100 teams in the United States based on a formula that takes into account wins, losses, strength of schedule, and other factors.

Rank	Team	Record	Pct.	Pts.
1	Georgetown (54)	9-0	1.000	1
2	Duke	7-0	1.000	2
3	North Carolina	8-0	.923	3
4	A.S. Methodist	8-0	.923	4
5	A.S. Methodist	8-0	.923	5
6	A.S. Methodist	8-0	.923	6
7	A.S. Methodist	8-0	.923	7
8	A.S. Methodist	8-0	.923	8
9	A.S. Methodist	8-0	.923	9
10	A.S. Methodist	8-0	.923	10

College Results

For West Coast Conference (Championship)

Team	W	L	Pct.	GB
Oklahoma St.	10	0	1.000	0
Idaho	9	1	.900	1
Utah	8	2	.800	2
Wyoming	7	3	.700	3
Montana	6	4	.600	4
Nebraska	5	5	.500	5
South Dakota	4	6	.400	6
North Dakota	3	7	.300	7
Minnesota	2	8	.200	8
Wisconsin	1	9	.100	9

Top-20 Results

How U.S. college basketball's top teams fared last week:

North Carolina	7-0	722	10
Illinois	11-2	708	4
DePaul	7-2	511	5

European Soccer

ENGLISH FIRST DIVISION

Team	W	L	Pct.	GB
Liverpool	1	0	1.000	0
Manchester United	1	0	1.000	0
Nottingham Forest	1	0	1.000	0
Sheff Wed	1	0	1.000	0
Sheff Wed	1	0	1.000	0
Sheff Wed	1	0	1.000	0
Sheff Wed	1	0	1.000	0
Sheff Wed	1	0	1.000	0
Sheff Wed	1	0	1.000	0
Sheff Wed	1	0	1.000	0

Transition

BASEBALL

OAKLAND A's—Reds' Bruce Bochy, first baseman, to a one-year contract.

South Takes Blue-Gray Game, 33-6

The Associated Press

MONTGOMERY, Alabama — Mississippi Valley's Jerry Rice said he was trying to "make a point for small college players" in the 47th annual Blue-Gray college football classic and he did — catching two passes for touchdowns in the South's 33-6 victory over the North.

Rice's catches and four field goals by Tennessee's Faud Revez highlighted a 494-yard offensive showing by the southern Gray squad.

"I had a lot of morale coming into the game," said Rice, a 6-foot-2, 197-pound speedster whose team is a member of the Southwestern Athletic Conference. "I wanted to make a point for small college players everywhere. I wanted to play well for them."

Rice's four catches for 101 yards, one of them for a touchdown on a 60-yard halfback-pass from Alabama's Paul Ott Carruth, earned him honors as the game's most valuable player.

"A receiver like Rice makes that play easy," said Carruth, who rushed six times for 25 yards and returned three punts for 20 yards in addition to passing for the touchdowns.

The Gray, with Clemson's Mike Eppley and Vanderbilt's Kurt Page directing the offense, pounded out 233 yards rushing and 251 yards passing, while the South defenders held the Blue offense to 7 yards on the ground and surrendered 193 yards passing.

Alabama's Ricky Moore led all rushers, picking up 113 yards in 13 carries, and North Carolina State's Joe McIntosh, the workhorse of the rushing attack with 22 carries, ended the game with 78 yards.

The Gray squad took charge after Brigham Young's Lee Johnson booted a 39-yard field goal to open the scoring with 6:34 left in the first quarter, giving the Blue a 3-0 lead.

